ANNUAL PLAN

1969/70

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CHAPTER I

INTRODUCTION

This is for the second time that an Annual Plan has been prepared. The first Annual Plan was formulated for 1968-69.

2. The disturbances in the early part of 1969 cast their shadow on the preparation of the Annual Plan for 1969-70. An Annual Plan is based on an up-to-date analysis of the underlying economic trends and their projections over the next year or so, which proved difficult in this case because of some dislocation in economic activity and the process of adjustment through which the economy had to pass. At the same time, a number of new measures were initiated by the Martial Law Regime which took office in March 1969. These measures were primarily concerned with the introduction of a new labour policy, including fixation of minimum wages for unskilled industrial labour, and reforms in the education system. It was essential that the financial and policy implications of these measures should be integrated within the framework of the Annual Plan.

3. An Annual Development Programme of Rs. 5,000 million for the public sector for 1969-70 was finalized by the Annual Plan Coordination Committee in April, 1969. The National Economic Council considered this programme on 7th May, 1969 and decided to add a block allocation of Rs. 400 million to take care of the urgent requirements of the social sectors and to accommodate the financial implications of the new policies being initiated by the Government. Since total resource availability for the public sector development programme was estimated at Rs. 5,300 million, despite a vigorous effort to mobilise additional resources of Rs. 670 million in the Central and Provincial budgets, it became obvious that the block allocation of Rs. 400 million could be fully financed only if a saving of Rs. 100 million materialized out of the Annual Development Programme of Rs. 500 million.

4. The position was reviewed by the Economic Co-ordination Committee of the Cabinet on 24th October, 1969 and it was decided that :

(a) the block allocation available for the social sectors will be confined to Rs. 300 million since there was no possibility of any savings materializing from the Annual Development Programme:

(b) the block allocation will be distributed for the following social sectors :

	(Rs. million)
(i) Workers' housing	100
(ii) Education schemes	170
(iii) Health Schemes	14.5
(iv) Social Welfare schemes	13
(v) Reorganization of Labour Directorates	2.5

(c) the block allocation will be distributed between East and West Pakistan in the ratio of 53 : 47 which was also the distribution pattern for the Annual Development Programme.

5. The Annual Plan, as outlined in this Memorandum, attempts to present all the important policies of the Government in a coordinated framework. While an effort has been made to up-to-date most of the information presented here, it should be recalled that the major part of this document was completed in July, 1969 and it has not been possible to revise data in every instance.

6. The formulation of the Annual Plan for 1969-70 in a difficult, transitional year, has confirmed the belief expressed last year that this is a useful instrument for carrying out orderly adjustments in the five year Plan in response to new situations which may arise. There are still a number of improvements which are required in the framework of the Annual Plans before they can fully cope with a fast changing economic situation and coordinate various economic and social policies in a meaningful pattern. But the basic structure has already emerged and these improvements are only a question of time.

CHAPTER II

REVIEW OF PROGRESS DURING 1968-69

The Third Plan got off to a slow start due to a combination of unfavourable factors. With a revision strategy and sectoral priorities overall growth targets were protected but by the middle of the Plan period was evident that major shortfalls in public sector development outlays and the savings and investment tes could not be avoided. In view of the uncertainty regarding resource availability particularly the vel of aid in inflow into the economy, it was decided to emphasise annual targets for acceleration in invest- ent levels in the light of resources in sight rather than seek to achieve original Plan targets. The Annual lan was adopted as the major instrument of implementing the revised strategy of the Third Plan aiming t achieving growth targets with the reduced level of investment.

2. The Annual Plan for 1968-69 (the first Annual Plan) aimed at achieving growth in GNP of the rder of 6 per cent, agricultural growth rate of 4.7 per cent and large scale manufacturing by 10.5 per cent. An attempt was to be made to accelerate capital formation by attaining a marginal saving rate of 22 per cent. t was proposed to increase exports by 10 per cent over the level of the preceding year. Present estimates ndicate considerable progress towards the realization of growth targets for GNP, agriculture and exports but a major shortfall in savings and investment targets.

3. The picture regarding the implementation of the Third Plan is similar. The Plan is expected to close with an annual average growth rate of almost 6 per cent and a steady increase in exports by about 8 per cent per annum. Agricultural growth rate of 4.6 per cent per annum, largely reflected in increased foodgrain production would remove the food deficit in West Pakistan even at a somewhat higher level of *per capita* consumption. Part of East Pakistan's food gap would also be met from the surplus in West Pakistan. On the other hand, there is likely to be a shortfall of 24 per cent in public sector development spending which is significantly related to the shortfall in net aid flows. The ratio of investment to GNP declined from 17.3 per cent in 1964-65 to 13.6 per cent in 1968-69. The average saving rate fell from 12.4 to 10.7 per cent and over the first four years a marginal rate of savings of 7.3 per cent was attained. While in the short run it was possible to protect growth impulses in the economy, it appeared towards the end of the Plan period that growth rate was likely to be adversely affected as a result of declining saving and invest- ment values. A major effort is therefore called for to mobilise domestic resources with a view to reversing the downtrend in savings.

Growth in GNP

4. GNP estimates for 1968-69 show an increase of 5.2 per cent in real terms against the Annual Plan target of 6 per cent. The steady progress of agriculture in West Pakistan continued this year and com- pensated sufficiently for the slow expansion of industrial produce to permit the attainment of the 6 per cent regional growth target; indeed, provisional estimates indicate that the regional growth rate will be nearer 7 per cent. In East Pakistan, on the other hand, destruction of crops by floods marred the prospects of growth in the provincial product; it is estimated that GPP will be only 2.6 per cent higher than in 1967-68.

5. It is now evident that while the overall objective of acceleration in growth rate over the perfor- mance of the Second Plan (5.5 per cent per annum) might be achieved, Third Plan's performance of nearly 6 per cent per annum would fall short of the target rate of 6.5 per cent. The shortfall is expected to occur almost entirely in East Pakistan. West Pakistan would show a growth rate exceeding 6 per cent per annum, mainly because of a creditable performance in the dissemination of new agricultural technology. East Pakistan's growth rate has so far averaged around 4 per cent and might improve to around 4.5 per cent with the expected improvement in 1969-70. The performance in East Pakistan looked in isolation is not unsatisfactory. However it falls considerably short of the rate needed to arrest the growth in income disparity between the two wings. The major failure has so far been in agriculture which recorded a growth rate of 2.5 per cent. Non-agricultural growth rate in East Pakistan the province was 5.7 per cent per annum during the first four years.

Agricultural Output

6. Bumper output of the two major food crops, wheat and rice, highlighted the pay-off from the application of modern technology in West Pakistan. Wheat production, provisionally estimated at 6.8 million tons, is 500,000 tons (or 8%) more than the record crop of 1967-68 and 50 per cent above the pre- vious peak in 1964-65. Rice production in 1968-69 accelerated sharply above the trend increase during the sixties owing to extended use of high yielding varieties of IRRI seeds. Production this year is estimated

at 2.1 million tons which is 600,000 tons (or 40%) more than the previous high of 1.5 million tons produced last year. The impressive gain in foodgrains output, which has transformed West Pakistan from a large food deficit to a surplus region, reflects the combined impact of intensified use of fertilizer, improved seeds, and expansion of tubewell irrigation.

7. Exceptionally harsh floods in East Pakistan hit the rice and jute crops. Total rice production is expected to match last year's output of 11 million tons only due to the increase in boro output which is estimated to take place in response to the winter irrigation programmes. Since there is only one jute crop the impact of floods on jute output was more severe. Production this year is estimated at 5.9 million bales falling short not only of the Annual Plan target of 7.5 million bales but by 800,000 bales of last year's output of 6.7 million bales.

Industrial Production

8. The rates of growth in the large scale industrial sector during the Third Plan slipped considerably from the 15 per cent growth rate realised during the Second Plan period. While a part of the decline was inevitable as a result of policies designed to allow only selective expansion of industrial capacity, major failure consisted in the inability to arrange adequate flow of raw materials and spares etc. for a better utilization of capacity. The Annual Plan for 1968-69 had fixed a target of 10.5 per cent growth in large-scale industry (8.2 per cent in manufacturing including small-scale). It was, however, indicated that a growth rate of 14 per cent in large-scale manufacturing could be achieved if the recommended increase of 25 per cent in the import of essential raw materials could be arranged. It is now estimated that the actual growth in industry during 1968-69 will be around 7.5 per cent. The failure to restore the Second Plan growth rates was due to a combination of factors that are mentioned below.

9. It was observed at the time of the formulation of last years' Annual Plan that the domestic raw material based industries had more or less maintained previous growth rates but this had been accompanied by a very sharp fall in the growth rates of the import intensive industries. From an average of 25 per cent during 1963—65, the growth rate of this group fell to an average of 6 per cent during 1965—68. The marked reduction in the inflow of industrial raw material imports was a major determinant of the slow-down in growth. Recognizing the crucial limit to manufacturing growth rates the Annual Plan stated clearly that intermediate industrial imports would have to be increased by 25 per cent. Unfortunately the inflow of commodity aid the Plan had banked upon did not materialize and the industrial growth rate did not accelerate significantly. The tightening of domestic credit for the private sector also influenced the demand for raw material imports. The shift of intermediate goods to cash-*cum*-bonus list involved not only an increase in the price of inputs but also a deposit of 95 per cent of the C.I.F. values of goods in addition to the usual margin for the opening of letters of credit. Many industries could ill afford to tie down scarce funds, and absorb the increased cost both of the bonus voucher premium and credit. Finally, the unrest in the urban areas discussed later, led to some loss of output.

Investment, Savings and External Resources

10. The major failure of the performance during 1968-69 was the large shortfall in the Annual Plan investment target. It had become apparent early in the year that resources to implement the proposed public sector annual development programme of Rs. 5,700 million would not be available. The projected amount of external resource inflow was not forthcoming which reduced not only the availability of foreign exchange but domestic resources generated through import duties and taxes on domestic production. Within the credit ceilings accepted under the stand-by arrangements with the I.M.F., a significant amount of credit was used by the government for maintaining large stocks of sugar and foodgrains. The wage increases granted to low-paid government employees in the third quarter of 1966—69, reduced the resources available with the government for development. To some extent these adverse factors were counterbalanced by increased tax collections after the new government took over. Since this occurred at the tail end of the year, its full impact will only be felt in 1969-70. As a result of these factors, it is estimated that public sector development expenditure in 1968-69 will amount to Rs. 4,920 million, falling short of the annual Plan target by Rs. 780 million.

11. Similar problems were faced by the private sector. The inflow of external assistance, as seen in the loan operations of financial institutions routing external credit for investment in the private sector, was far below the Annual Plan forecast. The tight credit policy and wage increases during the latter half of the year reduced the availability of domestic resources as well. Perhaps most important of all was the depressed investment climate that prevailed during the large part of the year; signs of political and urban unrest were visible as early as October, 1968 even though strikes and lock-outs were concentrated in the month of March, 1969.

12. Little factual information is available on private sector investment during the year, particularly r the second half of 1968-69. Estimates for the first half did not show any significant acceleration over e investment during July—December 1968. Pending further information, private monetized investment 1968-69 has been tentatively assumed at last years' level.

13. Total fixed investment will increase from Rs. 9,345 million in 1967-68 to Rs. 9,606 million in 968-69, the growth between the two years being less than 3 per cent. The Annual Plan target was a 21 er cent increase between 1966-67 and 1968-69 but the actual increase will be about 14 per cent. Invest- ent as a percentage of GNP has slipped from 14.0 per cent in 1967-68 to 13.6 per cent in 1968-69.

14. The gross inflow of external assistance including PL-480 and Indus basin declined slightly 1968-69 mainly due to a fall in PL-480 imports. Other components of foreign assistance showed an increase ver the year. This was, however, accompanied by increased debt service payments and a large ncrement in foreign exchange reserves which had been run down in 1966-67. The net inflow of external esources, therefore, declined from Rs. 3,290 million in 1967-68 to Rs. 2,826 million in 1968-69. Its contribu- ion to capital formation declined from 35 to 29 per cent and its contribution to G.N.P. from 5.0 to 3.9 per ent.

15. Domestic savings increased from Rs. 6,573 million in 1967-68 to Rs. 7,695 million in 1968-69. The average saving rate increased from 10.0 to 10.7 per cent and a marginal rate of saving of 17.8 per cent was obtained. It will be recalled that the Annual Plan had set a target of 25 per cent for the marginal rate of savings during the year. The failure to meet this target has already been discussed in the paragraphs on the shortfall of investment targets.

Balance of Payments

16. Steady growth in foreign exchange earnings has been one of the bright features of performance during the Third Plan. An export target of 4,150 million was formulated for 1968-69, seeking a 10 per cent growth over the estimated level of exports of Rs. 3,750 million for 1967-68. In spite of interruptions in March, the export performance in 1968-69 was in line with the original targets. Export earnings for 1968-69 are estimated at Rs. 4,100 million only slightly below the Annual Plan target. Exports of raw jute, raw wool, jute manufactures and tanned leather were stepped up sharply, while there was a significant shortfall in the export of raw cotton.

17. The import policy during 1968-69 sought liberalization of imports at higher cost of imports. The import demand was, however, limited during the period of adjustment to higher cost pattern. In addition during the disturbances, entrepreneurs were unwilling to enter into fresh commitments particularly when the procedures required sizable initial deposit on imports. These trends coupled with the declaration of illegal foreign exchange holdings after the imposition of Martial Law, were reflected in a sizable replenishment of foreign exchange resources by Rs.

Price Situation

18. Prices during the first four Plan years oscillated widely around a rising trend which was much steeper than the experience in the Second Plan period. The strong fluctuations in foodgrains price reflecting the unstable supply position was mainly responsible for the behaviour of wholesale prices index. Floods in East Pakistan and droughts in West Pakistan reduced the supply of foodgrains during the first two Plan years. This was accompanied by a reduction imports under PL-480 arrangement. The index of Food price went up 25 per cent. Although other components registered more modest price increases, the general price index, heavily influenced by food prices, increased by 19 per cent.

19. In 1967-68, the improved supply position of foodgrains combined with a steep fall in prices of raw materials (mainly, jute wool, hides and oil-seeds) led to a decline of 4 per cent in the general price index.

20. Price increase during 1968-69 was largely concentrated in East Pakistan where yet another poor rice crop accounted for food shortage. The general price index increased by 5.8 per cent—8.8 per cent in East Pakistan and 2.8 per cent in West Pakistan. In the former region, increase in the price of rice (10.6 per cent) contributed mainly to the price increase. The seasonally adjusted price index for the province moved up from July to November, fell sharply in December but climbed up again afterwards with a slight respite in April. The cycle reflected the supply situation of foodgrains influenced by output as well as transportation bottlenecks due to the disturbances.

21. Strong measures are necessary to abate the alarming rise in prices in East Pakistan. Some rise in prices was a necessary concommitant to the acceleration in public investment in that region and the ensuing urbanization. The poor harvests in East Pakistan combined with slow development of infrastructure facilities, particularly transport, have thwarted the attempts at relieving price pressures. It may be necessary to import foodgrain into East Pakistan in addition to the supplies sent from West Pakistan. It is equally essential, but less tractable in the short run, to speed up deliveries.

Impact of Disturbances

22. In analysing the effects of the disturbances and the associated measures, it is useful to draw a distinction between the immediate but transitory and the longer-term impact. The dislocation to production and movement of goods and the damage to property was of lesser consequence than the effect on investment climate. There was some damage done to property—public and private—but it was limited. In general, the material loss was not irreparable. Industrial output was cut back by Rs. 30 to 40 crore but this was partially recovered in the months after March. Taking this into account the loss to industrial production is unlikely to exceed 2 per cent of the annual manufacturing output.

23. On the other hand, the effect on investment was feared to be pronounced due to the fall in investible resources and rates of profit, and the wait and see policy of investors. The total cost of the increase in wages is estimated to be in the neighbourhood of Rs. 700—800 million. Since the brunt of the increase represents a corresponding decline in investible resources, the latter shall be lowered by about 7-8 per cent. The availability of domestic resources has been constraining investment, very much so in the public sector and more recently in the private sector as well. Investment, on this count alone, may fall by about 5 per cent. It is not possible to quantify the effect of the other factors for it will depend essentially on the phychology of the investors. It would be reasonable to expect the combined impact of these other factors to be at least as significant, for the next year at least.

CHAPTER III

MAJOR OBJECTIVES AND TARGETS FOR 1969-70

The evaluation of the implementation of the Third Plan, in particular the experience of 1968-69, has highlighted two major areas of emphasis for the Annual Plan 1969-70. Firstly, the saving-investment effort of the economy needs to be strengthened. The decline in the investment ratio during the first four years of the Plan has to be arrested, if the economy is to continue its growth momentum during the Fourth Plan with a better regional and sectoral balance and with a better blend of social justice. Secondly, new initiatives are urgently needed in the social sectors to prepare the ground for the formulation of the Fourth Plan, in line with the broad-based philosophy of development defined in the Socio-Economic Objectives of the Fourth Five-Year Plan. Greater concern for social justice within the framework of economic development is being reflected in a much larger allocation of funds for the development of social sectors. A block provision of Rs. 400 million is being provided for new programmes in education, health, labour and social welfare sectors, in addition to normal expenditure on Third Plan projects in these areas. This would dramatically change the balance between social and physical infrastructure. As the allocation is in relation to programmes being evolved with a very large throw-forward into the Fourth Plan, this foreshadows commitment of a much higher order over the next Plan period.

2. The larger social sectors programme is within framework of an acceleration of 8% in the overall size of the public sector outlay. The larger programme is being financed by a bold effort to raise domestic resources. This implies that the economy would not only absorb the effect of wage increases granted during 1968-69, but would move further towards generating additional domestic resources for development. Fiscal policy is thus being used to bring about a better distribution of wealth while maintaining overall level of investment.

Major Objectives for 1969-70

3. The specific objectives and targets for the Annual Plan are :

(*i*) To increase the ratio of expenditure on social sectors ;

(*ii*) to enable the economy to absorb the effects of the wage increases and distribution claims while protecting investment and growth ;

(*iii*) to utilize fiscal policy to bring about a better distribution of income and wealth ;

(*iv*) to attain an increase in regional income of 7 per cent in East Pakistan and 6 per cent in West Pakistan ;

(*v*) to increase foodgrain production by nearly 2 million tons ;

(*vi*) to accelerate the rate of industrial growth to 10 per cent.

4. The achievement of all these goals simultaneously presents a difficult and challenging task. A concerted national effort would be needed to implement the Plan which is outlined in this and subsequent chapters to achieve these objectives. Early action would be needed to implement various policies outlined in the Plan. Some of these policies are being announced in the Budget. Others would be evolved during the course of the year. Some of these policies would not be popular and would affect adversely particular sections of the community. It is, however, necessary to keep the perspective of overall national goals in analysing these policies.

5. It is difficult to lay down precise growth targets for 1969-70 at this stage. Growth in G.N.P. and individual sectors would depend upon the bench-mark figures for 1968-69. It is still too early to have firm figures for bench-marks. The initial estimates for the current year indicate a growth in G.N.P. of 5.2 per cent. Growth targets are defined in relation to this estimate. The targets would be modified later in the light of revised figures for the current year.

6. For 1969-70 the overall growth target of GNP is 6.5 per cent, with agricultural sector growing at about 5 per cent and industry at about 10 per cent. The large-scale manufacturing component of the industrial sector is projected to grow at about 12 per cent. These rates appear reasonable in view of the low base of the current year in East Pakistan and the amount of excess capacity that exists in the economy.

7. The growth of the regional products in 1969-70 has been put at 7 per cent in East and 6 per cent in West Pakistan. In fact, if the physical targets that have been proposed for East Pakistan in the agricultural sector are achieved, growth in that region can be considerably higher, being of the order of nearly 8 per cent. In the present estimates, however, a more conservative figure for the realisation of targets has been taken and the overall growth has been estimated at 7 per cent. The physical targets implicit in this lower growth figure are 6.85 million bales of jute (the same as in 1967-68) and 12 million tons of rice. The target figures, by way of comparison, are 7 million bales of jute and 12.3 million tons of rice. It must be emphasised that the realisation of either forecast is contingent upon an energetic defence against flood and weather damage. In West Pakistan, the main agricultural targets are 7.0 million tons of wheat, 3.2 million bales of cotton and 2.3 million tons of rice.

TABLE 1

Overall Growth Rates (1959-60 *Prices*)

(Per cent)

	Annual Average Second Plan	1965-66*	1966-67	1967-68	1968-69	1969-70 (Projected)	Annual Average Third Plan
Pakistan	5.5	4.6	5.0	7.5	5.2	6.5	5.8
East Pakistan	4.4	3.4	0.9	8.6	2.6	7.0	4.5
West Pakistan	6.4	3.1	7.7	7.4	6.8	6.0	6.2

*The total growth rate works out higher than the component because the growth in unallocated items was much higher than the growth in the Provincial Products.

Table 1 shows the overall growth rates during each of the years of the Third Plan, the annual average rate that is likely to be achieved during this Plan and a comparison with those obtaining during the Second Plan. As the Table shows, regional growth rates have fluctuated widely from year to year. The main destabilising factor has been variations in the agricultural growth rate.

Sectoral Growth Rates

8. The Third Plan had aimed at a balanced growth rate of the agricultural and industrial sectors, the projected annual increases being 5 per cent and 10 per cent respectively. While it was realized that achievements in different years would differ from plan Projections the fluctuations in fact have been far wider than expected and considerably out of line with previous experience. Table 2 shows the year-wise sectoral growth rates for the Third Plan and compares with the experience of the Second Plan. It will be seen that a marked increase in the growth of agriculture in the Third Plan has coincided with a very erratic performance in large-scale manufacturing. A major task of the Annual Plan must now be to correct these imbalances so that the agricultural and industrial growth rates can more harmoniously and effectively support each other.

TABLE 2

Sectoral Growth Rates (1959-60 *Prices*)

(Per cent)

	Average Annual Second Plan	1965-66	1966-67	1967-68	1968-69	Target 1969-70	Average Annual Third Plan
Agriculture	3.4	1.6	1.1	11.0	3.0	5.0	4.3
Industry	10.0	5.1	8.0	6.2	6.0	9.3	7.2
(Large Scale Manufacturing)	(15.0)	(6.3)	(10.6)	(7.7)	(7.6)	(12.0)	(8.8)
(Small Scale Manufacturing).	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)

9. *Agriculture.*—The value added in agriculture in 1968-69 is estimated to be about 3 per cent greater than in the previous years. This figure is made up of two widely divergent performances in the two Provinces. In West Pakistan agriculture is estimated to have grown by over 6 per cent while in East Pakistan growth was insignificant. An important factor in the negligible growth of the sector in East Pakistan was damage to the rice and jute crops caused by floods. It is to be hoped that damage due to natural causes will not be a major factor in the coming year. The broad physical targets proposed for 1969-70 are : 7 million bales of jute, and 12.3 million tons of rice for East Pakistan ; 7 million tons of wheat, 2.3 million tons of rice and 3.2 million bales of cotton in West Pakistan.

10. On the basis of these targets for agricultural output, the growth rate in East Pakistan agriculture will come to about 9 per cent for all agriculture and 12 per cent for the major crops. In West Pakistan, agricultural growth rate would be 4.6 per cent. Taking 1968-69 and 1969-70 together, East Pakistan's agricultural performance would roughly equal that of West Pakistan, if the targets of the Annual Plan are realized.

11. Even if there is no untoward damage from natural causes, stimulating agricultural growth in East Pakistan will present a number of problems. The most important of these would relate to increasing the input of fertilizer and better quality seeds. The distribution of fertilizer during the first ten months of 1968-69 was about 81,000 nutrient tons compared with 101,000 nutrient tons for the year 1967-68. The performance appears particularly unimpressive as it works out at only 46 per cent of the target of 175,000 nutrient tons that was originally fixed for 1968-69. In West Pakistan, fertilizer distribution during the first ten months of the current year has been 201,000 nutrient tons compared with total distribution of 189,000 nutrient tons during 1967-68. Thus, the current rate of distribution in West Pakistan is almost 73 per cent of the target of 276,000 nutrient tons. The target for fertilizer distribution for 1969-70 is 135,000 nutrient tons in East Pakistan and 337,000 nutrient tons in West Pakistan. The stock position of fertilizer is comfortable in East Pakistan. In West Pakistan on the other hand stocks were drawn down to unduly low levels. At 77.6 thousand nutrient tons on 1st May, 1969, stocks represented only—month's estimated level of distribution. Thus, while the programme for agricultural expansion will call for intensification of the drive to improve distribution in East Pakistan, the stock position has to be improved in West Pakistan. It will be essential to plan for the import of fertilizer in sufficient time to enable agricultural growth to proceed unimpeded.

12. A detailed programme for the import of fertilizers is being drawn up to meet the distribution targets.

13. It must be emphasised that the agricultural targets are preliminary and will be reviewed by the Agricultural Policy Committee which will determine the final figures as well as recommend policies for attaining them. The figures for rice and jute production in East Pakistan may appear high when compared with the performance in 1968-69. It should, however, be borne in mind when evaluating these targets that 1968-69 was an exceptionally bad year, when much of the harvest was destroyed by floods. Growth potential was created in East Pakistan agriculture during 1968-69 but was not reflected in actual production. The growth rate for the two years 1968-69 and 1969-70 taken together implicit in the agricultural targets for East Pakistan are not higher than what has already been achieved in West Pakistan.

14. *Industry.*—During 1968-69 the industry sector grew by 6.0 per cent with large scale manufacturing growing at 7.6 per cent. In East Pakistan the respective growth were 5.7 per cent and 7.6 per cent while in West Pakistan they were 6.2 and 7.4 per cent. The behaviour of manufacturing requires some explanation. A number of studies have indicated that an important factor responsible for the slowdown has been the reduced availability of imported inputs. The import-intensive industries have been growing on average at about half the rate of those based on domestic materials.

15. A Working Group recently went into the question of providing imported inputs for stepping up industrial production to a rate of 12 per cent in 1969-70. It has been estimated that the total import bill in current prices for the entire manufacturing sector works out at Rs. 2,475 million out of which approximately 2,000 million will be required for imports for the large-scale manufacturing in the private sector. This compares with an allocation of Rs. 1,670 million for total industrial imports during the year 1969-70 and falls considerably below the import bill for full capacity utilisation as estimated by the Experts Groups appointed by CIPCOC. Their estimate of the import liability for recognised units as sanctioned and in production till the end of 1967 was Rs. 3,390 million. However, both sets of projections are based on the assumption that raw materials will be made available to industries at prices at which they find it profitable to improve their capacity utilization.

CHAPTER IV

RESOURCES AND FINANCING

Table I presents a picture of the sources and uses of national resources. The table is in current prices and in order to gauge the real movements we have to adjust for the increase in the price level of the various components.

2. It will be seen from the table that private consumption increased by 51 per cent in value terms over the first four years of the Third Plan. However, prices of foodgrains had risen sharply in the first two years and although there was some relief in the food prices in West Pakistan in the next two years, the increase in the price of consumer goods from 1964-65 to 1968-69 was of the order of the 25 per cent. Consequently, real consumption over the period increased by about 20 per cent. Adjusting further for a 12 per cent increase in population, *per capita* real consumption increased by about 8 per cent or less than 2 per cent per annum.

3. It appears from the structure of the increase in output and incomes that the increment in consumption was unevenly distributed between regions and income groups. There was substantial increase in production of major crops in West Pakistan. A large proportion of this increase was consumed at the farm and some of the benefit was passed on to the urban consumers in the form of lower prices of foodgrains during the last two years. However, scarcities of other items of urban consumption had developed during the period which led to increase in their price. The urban consumers, particularly in the fixed middle income group, experienced a squeeze on their consumption. In East Pakistan the growth in income was much lower and there was continuous shortage of foodgrains. There was therefore, little increase in *per capita* consumption in that region.

4. Investment increased very gradually over the period. The value index in 1968-69 was only 115, investment having increased at a rate of 3.6 per cent per annum. In real terms the increase was even lower. Three factors contributed to the slow growth in investment. Firstly, there was an unavoidable increase in Government consumption which diverted the resources raised by the government away from investment. Secondly, external inflow did not increase materially over this period. It can be seen from the table that imports on current account grew at a rate of only 2 per cent per annum. Thirdly, the rate of growth in domestic savings also fell behind the growth in GNP, the marginal rate of savings in current prices was only 6.8 per cent which was little over half the average rate of savings at the onset of the Plan. The situation is somewhat better in terms of constant prices but the marginal rate of savings in real terms is unlikely to exceed 10 per cent so that the average rate of savings declined in real terms also.

5. The decline of the availability of external assistance has been a major factor responsible for the poor savings performance. The foreign exchange required as a counterpart to demostic savings was not forthcoming. And as discussed subsequently, government revenues raised through import duties and through duties on industrial output (which in turn depends upon imported war materials) was affected adversely.

TABLE 1

Resources and Expenditure (Rs. million at current prices)

	1964-65	1965-66	1966-67	1967-68	1968-69	Value index 1964-65 to 1968-69	
Sources							
1. GNP at market prices	48,616	53,037	62,411	66,082	72,060	148.2	(10.3)[2]
2. Imports on current account .	6,393	5,761	6,935	6,996	6,927	108.4	(2.0)
3. Total national resources ..	55,009	58,798	69,346	73,078	78,987	143.6	(9.5)
Uses							
4. Fixed investment	8,332	7,674	8,449	9,345	9,606	115.3	(3.6)
5. Changes in stocks[1]	810	575	1,335	518	915	113.0	(3.1)
6. Total investment	9,142	8,249	9,784	9,863	10,521	115.0	(3.6)
7. Government consumption ..	3,141	4,818	4,253	4,340	4,600	146.5	(10.0)
8. Private consumption	39,525	42,235	51,752	56,169	59,765	151.2	(10.9)
9. Exports	3,201	3,496	3,557	3,706	4,101	128.1	(6.4)
10. Total national expenditure ..	55,009	58,798	69,346	73,078	78,987	144.8	(9.5)
11. Savings	5,950	5,984	6,406	6,573	7,695	129.3	(6.6)
12. Average rate of savings ..	12.3	11.4	10.3	10.0	10.7	—	—
13. Marginal rate of savings ..	—	0.7	4.6	4.4	17.8	6.83	—

1. The estimates of stock changes are under revision.
2. Figures in brackets indicate annual compound growth rate.
3. Least squares estimate of MRS 1964-65 1968-69.

PUBLIC SECTOR FINANCING

Review of Progress in 1968-69

6. In the Annual Plan for 1968-69 sizeable acceleration was planned in the level of public sector development spending. At Rs. 5,700 million (net) the development programme represented an increase of 14 per cent over the then estimated level of expenditure in 1967-68. This was proposed to be financed by Rs. 2,580 million (or 45 per cent) of foreign resources and Rs. 3,120 million of domestic resources. The availability of foreign assistance was largely dependent, upon disbursements from the pipeline and did not pose any serious problem, except in the case of non-project assistance where a lower level of commitments during the year influenced current availability. Estimates of rupee resources were, however, based on a sizeable effort to raise additional domestic resources, responsiveness of the tax system to growth in the economy and improvement in the profitability of public enterprises.

7. The economic situation in 1968-69 influenced the resource mobilization effort rather adversely. While a reasonably high growth rate in agriculture was maintained, non-agricultural sectors recorded much lower growth than planned for the year. Since the tax system is geared mainly to cover non-agricultural sectors directly, planned increases in tax yields failed to materialise. At the same time, non-development expenditure increased significantly as a result of flood relief operations in East Pakistan which included, in part, free distribution of wheat, and also because of expenditure on price support operations for the large wheat crop in West Pakistan. In addition to this, the increase in the pay structure of low-paid employees in the public sector directly claimed resources which would have otherwise been available for development. Indirectly, the wage policy reduced surplus profits of public Corporations which were expected to support a part of the development programme.

8. The latest estimates indicate that public sector development expenditure in 1968-69 is likely to be around Rs. 4,900 million as against the Annual Plan target of Rs. 5,700 million. The shortfall of Rs. 800 million is mostly attributable to a lower realisation of domestic resources. The revised estimates of the overall financing of public sector development expenditure for 1968-69 and budget estimates for 1969-70 are shown in the attached tables.

9. The shortfall in domestic resources is mostly on account of the difference between the projected and realised net capital receipts of the Centre, a large shortfall in provincial contributions to development expenditure mainly because of the flood relief that had to be provided in East Pakistan and food subsidy in West Pakistan and an unforeseen increase in non-development expenditure on account of wage increases (Rs. 400 million in an annual basis). The shortfall in Central resources was mainly due to a reduction in net capital receipts on account of expenditure on Defence Equalisation Fund, non-realisation of receipts from sale of Defence Land and transfer of receipts from sale of enemy property to the revenue account. Moreover, in the revenue account, there had been a decline in receipts from excise duties and sales tax because of lower levels of production than anticipated, owing to the disturbed political and economic conditions in the country. In addition to the shortfall in domestic resources, the projections of foreign assistance for 1968-69 were not realised. Against the budget estimate of Rs. 2,580 million, the revised estimate of foreign assistance for 1968-69 is only Rs. 2,410 million.

10. The decline in resources during 1968-69 was made up, to some extent, by resorting to a higher level of deficit financing than was envisaged in the budget.

Financing in 1969-70

11. The full impact of the 'troubles' faced by the economy in 1968-69 and the policy changes lately undertaken will be felt in 1969-70, and may result in greater strain on the resources. The increased emphasis on social sectors and the shift in policy towards better distribution of incomes and raising consumption levels of the people, will pre-empt a substantial amount of resources. In view of this it was obvious that a tremendous effort in resource mobilisation would be required in 1969-70 to maintain the size of the development programme even at the 1968-69 level. Inspite of this, it is planned to implement a programme of Rs. 5,300 million in 1969-70, an increase of 8 per cent over the level of estimated expenditure during 1968-69. This will allow the ongoing programmes to be protected and leave some margin for maintaining sectoral balance in expenditure in line with the increased emphasis on Social Sectors. In fact, Rs. 400 million have been set aside exclusively for initiating new programmes in the Social Sectors.

12. The development programme of Rs. 5,300 million in 1969-70 is to be financed from domestic resources of Rs. 2,946 million and foreign resources of Rs. 2,354 million giving a ratio of 56 : 44. Revenue

receipts of the Centre for 1969-70 at 1968-69 tax rates are estimated at Rs. 7,534 million. This will imply an improvement of Rs. 594 million over the previous year's revised estimates. After accounting for a payment of Rs. 1,237 million as the Provincial share of Central Taxes and Rs. 4,537 million for non-development revenue expenditure, the current year is expected to close with a revenue surplus of Rs. 1,760 million. The increase of Rs. 427 million in the non-development revenue expenditure for the current year over the last year's revised estimates is accounted for by a rise of Rs. 187 million in interest charges, Rs. 150 million in defence expenditure and Rs. 90 million under various other heads in civil expenditure. The increase, both in defence and the civil expenditure, reflects the effect, for the year as a whole, of the *ad hoc* relief granted to low-paid government employees.

13. The net capital receipts of the Centre show an increase over the revised estimates for 1968-69 and are estimated at Rs.—149 million at 1968-69 tax rates (or Rs.—109 million after including the effect of additional taxation in 1969-70). The improvement is mainly due to higher recoveries of loans from Provincial Governments.

14. The Provincial contribution to the development expenditure at 1968-69 tax rates is estimated at —

East Pakistan .. .. Rs. 116 million.

West Pakistan .. .. Rs. 129 million.

15. The total domestic resources (at 1968-69 tax rates) including deficit financing of Rs. 400 million are budgeted at Rs. 2,276 million leaving a gap of Rs. 670 million which has been met through additional taxation.

16. Additional taxes of Rs. 469.8 million have been levied in the Centre, Rs. 174.7 million by West Pakistan and Rs. 25.0 million by East Pakistan. The new taxes in the Centre are mostly on Customs and Central Excise. In West Pakistan, the taxes are mostly in the form of increases in railway fares, water rates and entertainment duty. In East Pakistan, there is no additional taxation except an increase in railway fares and freight charges.

17. These tax proposals have been made within the framework of the government's policy of social justice. It is expected that the major burden of the new taxes will fall upon large entrepreneurs and the relatively better-off rural and urban population. The increase in the import duty on 'Machinery and component parts' which alone is expected to yield Rs. 162 million in additional revenues during 1969-70, will be contributed by the profit margins of 'industrialists', provided the present price level is stabilised. The increase in income tax rates and the withdrawal of investment—allowances for incomes above Rs. 100,000 per annum will also impinge on the middle and upper classes. In some cases, duties on goods and services of common use have been raised *e.g.* electricity rates, stamps and railway charges. This, however, was necessary to enable the concerned departments to meet their increased costs. Apart from taxation, the Government is devoting attention to the task of improving the efficiency of Public Corporations and increasing the profitability and return on public sector investment.

18. The major tax effort in the current year has laid the ground for expanding the resource base for public sector financing in the Fourth Plan. One important problem experienced during the Third Plan was the inability of the financial system to translate economic growth automatically into larger tax revenues for the Government. The new tax proposals will raise the base of public savings for the Fourth Plan and move the tax system, to some extent, towards a greater degree of responsiveness to growth.

Third Plan Experience —Tentative Financial Evaluation

19. With the size of the development programme envisaged for 1969-70, the Third Plan Public Sector Development Expenditure is likely to be around Rs. 21,700 million as against the Plan target of Rs. 30,000 million. The shortfall of Rs. 8,300 million is attributable to a shortfall of about Rs. 5,110 million in domestic resources and Rs. 3,190 million in foreign resources. The tentative estimates of the overall financing

of the Public Sector Development Expenditure during the Second and Third Plans are shown in the table below :—

TABLE I

The overall financing of Development Expenditure during the Second and Third Plans.

(Million Rupees)

	Second Plan	Third Plan		
	Actuals	Projections	Estimated	Difference
Revenue Surplus	2,194	8,600	1,048	—7,552
Net Capital Receipts	1,995	2,400	1,229	—1,171
Additional Taxation	1,800	3,000	6,523	+3,523
Deficit Financing	1,135	2,500	2,591	+91
Total	7,124	16,500	11,391	—5,109
Foreign Resources	6,826	13,500	10,311	—3,189
Total :	13,950	30,000	21,702	—8,298

20. For the Third Plan as a whole, out of a total public sector development outlay of Rs. 21,702 million Rs. 11,391 million or 52.5 per cent is being financed by domestic resources. The Third Plan had recommended a mix of 55 per cent and 45 per cent between domestic and foreign resources in public financing. This ratio was achieved in the first year of the Plan but could not be maintained because of the sharp increase in defence expenditure and shortfall in PL 480 funds for financing the Indus Basin works. In the last two years of the Plan, however, dependence on domestic resources has increased and in 1969-70, 55.6 per cent of the development expenditure is likely to be financed from own resources.

21. Generation of domestic resources during the Third Plan was much higher than is reflected in the above financing picture. Pakistan provided Rs. 2,458 million from its own sources for the rupee financing of Indus Basin Projects which were outside the Third Plan. This was against the assumption of the Third Plan that PL 480 counterpart funds would be sufficient to finance the rupee cost of Indus Basin works and would in addition provide Rs. 1,000 million for the support of the Plan. Furthermore, the shortfall in Revenue Surplus is almost wholly attributable to the unexpected increase in the defence expenditure because of the September 1965 War. The expenditure on defence was projected at Rs. 6,890 million against which it is now expected that an expenditure of Rs. 12,384 million will have been incurred by the end of the Third Plan. This means that Rs. 5,494 million will have been spent on defence in excess of what was estimated, as against the estimated shortfall of Rs. 7,552 million in the Revenue Surplus. This shortfall was, again, counterbalanced to the extent of about Rs. 3,500 million on account of additional taxation which will be Rs. 6,523 million against the Plan target of Rs. 3,000 million.

SUMMARY TABLE

ALL PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E. with effect of additional taxation
Revenue Receipts	7743	9098	9036	10327
Non-Development Revenue Expenditure	6211	6735	6775	7811
Revenue Surplus	1532	2363	2261	2516
Net Capital Receipts	325	259	—108	10
Sub-total ..	1857	2622	2153	2526
Deficit financing for ADP purposes	501	322	374	317
Foreign Assistance	2219	2580	2410	2354
Total Resources ...	4577	5524	4937	5197

MONETARY, CREDIT AND PRICE POLICY

The monetary and credit situation in the country was characterised by three distinct phases during the Third Plan reflecting the changes in the overall economic situation. In the initial phase a rapid rate of monetary expansion generated inflationary pressures in the economy. During 1965-66, money supply increased by 14.2 per cent as a result of sizeable deficit financing in the aftermath of September war, which highlighted the urgency for increasing defence expenditure. The monetary expansion continued during the first half of 1966-67. While severe restraints were applied on the public sector's demands for credit, private sector emerged as the main expansionary force. Money supply increased by 10.2 per cent in the first seven months of 1966-67. As this period of 19 months ending January 1967 was characterised by sizeable monetary expansion accompanied by decline in real availabilities on account of contraction of foreign assistance and a set-back in agricultural production, price situation was under severe pressures. In the second phase starting from February 1967 the combined forces of restrained monetary and fiscal policies worked to bring about a contraction of Rs. 886 million or 8.3 per cent in money supply by September 1967. This helped stabilize the price situation in the country. Constraints on monetary expansion were relaxed in the final quarter of 1967 giving rise to the third phase which is characterised by monetary expansion again but with the difference that the increase in money supply during this period has been well matched by high growth rates in the economy particularly in the agriculture sector.

2. The report of the Expert Working Group on Credit and Finance had recommended that money supply could grow at a rate 2 per cent higher than the rate of growth of GNP. This was necessary to allow gradual monetization of the economy. The increase in money supply from June 1967 to April 1969 has been below ceilings that would be suggested by the application of the above formula.

3. The demand for money is particularly high in a period of rising agricultural incomes. The increase in the production of food crops has a much more than proportionate effect on the marketable surplus. The volume of transactions in the economy increases at a much faster rate than would be indicated by the overall rate of economic growth. Secondly there is evidence to suggest that the farmers' incomes are translated into consumption and investment demand with a much greater time lag. The first claim is exercised generally by the debt liability of the farmers in times of prosperity. Increased farm incomes are also reflected in speculative increases in the prices of land and gold and increased cash holdings. Monetary expansion in the economy has thus been well absorbed during the third phase.

4. The importance of agricultural growth in relation to monetary and credit policy also emphasizes the different regional requirements. With a highly favourable agricultural performance in West Pakistan, the monetary absorption took place without any undue pressure on price situation during 1968-69. In fact the price level for a major commodity *viz* wheat, had to be supported by the Government. The money and credit for the private sector were tight, as funds were looked up against wheat stocks. The wholesale price index for West Pakistan showed a decline of 1.8 per cent during the first ten months of 1968-69. On the other hand there was an increase of 5.2 per cent in East Pakistan during the same period. In East Pakistan, food production virtually showed no increase during the current year. East Pakistan is passing through the phase of rapid increase in investment with relatively slow growth in agricultural production. This highlights the need to transfer large stocks of wheat and rice from West Pakistan and abroad to East Pakistan until such time as agricultural production starts rising more rapidly in the Eastern Wing.

5. For 1969-70, the safe limits of monetary expansion are being defined in terms of monetary assets *i.e.* money supply plus time deposits and postal savings bank deposits. This reflects an extra element of caution. Time deposits can be activised in time of need at some cost in terms of interest foregone. Though the growth in time deposits has presented a consistent pattern of growth since the beginning of the Second Plan, the element of stored liquidity in the form of time deposits cannot be completely ignored. It would, however, be necessary to analyse the historical behaviour of monetary assets to determine safe limits of expansion and check also the rate of expansion in money supply proper to quantify various elements of monetary assets separately. The reconstituted Working Group on Money and Credit is examining these issues.

6. On the basis of the interim recommendation of the Working Group, the Plan Coordination Committee approved Rs. 1,770 million as the safe limit of expansion in monetary assets during 1969-70. This was on the assumption of no change in the level of foreign exchange reserves. To the extent that foreign exchange reserves are to be drawn down during the year, credit expansion would have to be larger than indicated by the increase in monetary assets. The demand for credit from the public sector is likely to be around Rs. 400 million (the anticipated size of deficit financing). It was observed by the Working Group on Money and Credit that " it seemed unlikely that any additional credits would be required for commodity operations at the end of 1969-70 ". It was however, pointed out that additional credit ceilings of Rs. 55 crore

might be necessary for some months of peak demand. Even if allowance is made for some increase in the net credit requirements of public sector for additional stocks of food and fertilizer, there is enough scope for a sizeable increase in bank credit for the private sector. The State Bank has estimated private sector's credit requirements at Rs. 1,250 million for 1969-70 and is programming its operations to meet this demand.

7. The Government has before it the over-riding objective of maintaining monetary and price stability. As a result of wage increases allowed during the year and the delayed effect of increased farm incomes, certain demand pressures may arise on major articles of consumption during the year. To keep such demand pressures under control, a number of precautions are being taken. Firstly, the overall monetary expansion ceiling is being kept lower than what was found safe in the recent past. Secondly, arrangements are being made to make commodity budgets for certain basic items of consumption. Wheat stocks are initially at a comfortable level. Further steps to augment supplies would be taken in the light of procurement from the Rabi crop and prospects for Kharif crop in West Pakistan and Aman rice in East Pakistan. For cloth and yarn, export prospects have been determined keeping in view the likely increase in domestic demand. Studies are under way to improve the supply of other essential articles in the light of consumption pattern of the recipients of new incomes.

Causative Analysis of Monetary Expansion

(Million Rupees)

	1965-66	1966-67	1967-68	1968-69
Changes in Money Supply ..	1219.8	527.3	357.4	1226.6*
1. Domestic private sector..	386.9	1961.2	865.5	686.8
Adjustment for time deposits	—810.9	—1101.4	—793.0	—570.4
Net private sector ..	—424.0	859.8	72.5	116.4
2. Government Sector ..	1412.2(1)	—21.7(3)	1007.7(5)	412.1(7)
Adjustment for counterpart funds and other loan accounts with S.B.P.	194.1	19.5	—351.5	211.7
Net Government sector ..	1606.3	— 2.2	656.2	623.8
3. Foreign Sector ..	114.8(2)	—473.9(4)	178.4(6)	669.9(8)
4. Other factors	—77.3	143.6	—549.7	— 183.5
Total Causative ..	1219.8	527.3	357.4	1226.6

*Provisional.

(1) Adjusted for the creation of ad hocs for the purchase of gold to meet increase quota obligation to IMF.

(2) Adjusted for purchase foreign currency from IMF.

(3) (*a*) Adjusted for Indian rupee devaluation.
(*b*) Adjusted for approved external securities deposited by foreign banks with S.B.P.
(*c*) Adjusted for Ist instalment of subscription to Asian Development Bank.

(4) (*a*) as in 3(*a*) above.
(*b*) As in 3(*c*) above.
(*c*) Adjusted for repayment of Ist instalment of the drawings of $ 9.5 million made from IMF in April, 1966.

(5) (*a*) As in 3(*a*) above.
(*b*) Adjustment for pound sterling devaluation .
(*c*) Adjusted for payment of 2nd instalment of subscription to Asian Development Bank.

(6) (*a*) As in 5 (*b*) above.
(*b*) As in 5 (*c*) above.
(*c*) Adjustment for repayment of 2nd instalment of the drawings of $ 9. 5 million made from IMF in April,1966.
(*d*) Adjustment for repayment of Ist instalment of the drawing made from IMF in January, 1965.

(7) (*a*) Adjustment for retirement of ad hocs created earlier at time of rupee devaluation.
(*b*) Adjustment for payment of charges to IMF.
(*c*) Adjustment for payment of 3rd subscription to Asian Development Bank.

(8) (*a*) As in 7 (*b*) above.
(*b*) As in 7 (*c*) above.
(*c* to *g*) Adjustment for transactions with IMF.

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Changes in Money Supply during 1965-66 to 1968-69

(Million Rupees)

Year	Money Supply	Increase/ decrease	% Change
1965			
June	8621.4	—	—
September	8467.5	—153.9	—1.8
December	9495.7	1028.2	12.1
1966			
March	9464.0	—31.7	—0.3
June	9842.8	378.8	4.0
September	9979.0	136.2	1.4
December	10887.4	908.4	9.1
1967			
March	10719.1	—168.3	—1.5
June	10383.6	—335.5	—3.1
September	9767.0	—616.6	—5.9
December	10596.7	829.7	8.5
1968			
March	10709.2	112.5	1.1
June	10861.0	151.8	1.4
September	10757.5	—103.5	—0.9
December	11755.7(P)	998.2	9.3
1969			
March	12212.6(P)	456.9	3.9
June			

*Provisional.

Note.—Figures for June, 1968, December, 1968 and March 1969 includes revised figures of currency in evaluation.

Source.—State Bank of Pakistan.

CHAPTER V

PUBLIC SECTOR DEVELOPMENT PROGRAMME

The implementation of the Development Programme in the Public sector has lagged considerably behind targets for the first four years of the Third Plan. The acceleration in the level of Public Sector Development spending planned for 1968-69 did not materialise. The combined effect of shortfall in aid and the diversion of domestic resources to flood relief, food subsidy and higher wage bill reduced the implementation of the programme in 1968-69. In real terms, the expenditure was probably lower. While a major shortfall in Public Sector Development outlay for the Third Plan is now inevitable, it was considered necessary to make an attempt to increase the level of development spending in the final year of the Plan for the on-going programme and to redress the imbalance of social sectors where shortfalls in earlier years were unduly large.

2. It is proposed to implement a net programme of Rs. 5,300 million in the Public Sector during 1969-70. This represents an increase of 9% over the implementation for the current year. The increase in the form of a block allocation of Rs. 400 million is devoted entirely to provide new initiatives in the social sectors. In the remaining programme, bulk of the allocation is for on-going projects. The object is that in areas other than social sectors, the final year of the Plan should see completion of as many schemes as possible. Except for urgent needs in connection with agriculture and exports, new schemes should be initiated during the Fourth Plan.

Size of the Programme

3. The break-down of the proposed size of the Annual Development Programme for 1969-70 by executing agencies is given below :—

(Million Rupees)

	Net size
East Pakistan	2,310
West Pakistan	1,900
Centre	790
Total ..	5,000
Block Allocation for Social Sectors	400
	5,400
Less expenditure met by transfer from the Development Programme	100
Total (Net) ..	5,300

4. The block allocation of Rs. 400 million was retained separately and shown against the Central Government. This amount is meant for schemes in the social sectors which are being prepared and firmed up in the light of new policies of the Government. Out of this amount Rs. 300 million have been allocated, the distribution between the executing agencies being in the same ratio as that of the Annual Development Programme and will be passed on to the Provincial Governments/Central Ministries.

Sectoral Composition of the Programme

5. The sectoral composition of the Programme is given in the following table. The detailed ADP for the Centre, East and West Pakistan are being published as annexure to the Annual Plan.

Development Programme 1969-70 *by Executing Authorities*

(Million Rupees)

Sl. No.	Name of the Sector	East Pakistan	West Pakistan	Centre	Total
1	2	3	4	5	6
1.	Agriculture	428.200	278.476	92.972	799.648
2.	Water and Power	785.000	714.125	107.316	1,606.441
3.	Industry	364.070	124.348	33.903	522.321
4.	Fuels and Minerals	12.150	0.704	95.390	108.244
5.	Transport and Communications	296.200	422.270	318.550	1,037.020
6.	Physical Planning and Housing	167.000	101.277	87.198	356.075
7.	Education and Training	174.240	141.254	30.027	345.521
8.	Health	104.000	105.415	18.412	227.827
9.	Social Welfare	6.600	6.604	5.095	18.299
10.	Manpower and Employment	5.940	9.527	1.711	17.178
11.	Works Programme	156.000	50.000	4.000	210.000
12.	Block Provision	—	6.000	—	6.000
	Total (Gross) ..	2,500.000	1,960.000	794.574	5,254.574
	Less (Shortfall) ..	190.000	60.000	4.574	254.574
	Total (Net) ..	2,310.000	1,900.000	790.000	5,000.000

Priorities

6. In the formulation of the Public Sector Development Programme, the following order of priorities has been kept in mind :—

(*i*) Agriculture has been accorded the highest priority. All essential programmes, as laid down by the Agricultural policy Committee are fully protected. Special emphasis has been placed on the foodgrain storage programme.

(*ii*) Adequate provision has been made for programmes in Water and Power Sector, which have an impact on agricultural production and are designed to remove power shortage and improved power generation and transmission.

(*iii*) Efforts have been made to provide adequately for the aided projects according to the schedule of disbursements.

(*iv*) Construction component of the Programme has been kept to the barest minimum.

(*v*) Family Planning Programmes have been provided on a priority basis.

(*vi*) All essential activities under Rural Works Programme have been protected.

7. The following table indicates priorities for various sectors in the ADP for 1969-70 as compared to those in the Third Plan:

Sectoral distribution of the Public Sector Development Programme 1969-70

(Million Rupees)

Sl. No.	Sector	Third Plan allocation	%	Provision for 1969-70	%
1	2	3	4	5	6
1.	Agriculture	4,115	13.2	800	15.2
2.	Water and Power	8,047	26.0	1,606	30.6
3.	Industry	3,513	11.3	631	12.1
4.	Fuels and Minerals	592	1.9		
5.	Transport and Communications	6,711	21.7	1,037	19.7
6.	Physical Planning and Housing	2,477	8.0	356	6.8
7.	Education and Training	2,374	7.6	346	6.6
8.	Health	1,175	3.8	228	4.3
9.	Social Welfare	90	0.3	18	0.3
10.	Manpower	86	0.3	17	0.3
11.	Works Programme	1,820	5.9	210	4.0
12.	Block Provision for Quetta and Kalat ..	—	—	6	0.1
	Total ..	31,000	100.0	5,255	100.0
	Less (Shortfall) ..	1,000	—	255	—
	Total (Net) ..	30,000	—	5,000	—

The percentage allocation for social sectors would increase substantially if we add up the allocation of Rs. 300 million which has since been provided for social sectors in addition to the ADP for 1969-70.

Regional Development

8. The development expenditure of the public sector in East Pakistan is expected to increase from Rs. 1,472 million in 1965-66 to Rs. 2,658 million in 1969-70. The development programme for1969-70. has been prepared in line with the regional distribution indicated in the Third Five Year Plan. In the next year's programme East Pakistan has been allocated Rs. 2,310 million as against Rs. 1,900 million in West Pakistan, thereby giving her an edge of Rs. 410 million.

9. The following table gives the ADP 1969-70 figures on a geographical basis :

Geographical distribution of the development programme 1969-70 *by location/benefit of projects*

(Million Ru

Sl. No.	Sector	East Pakistan	West Pakistan	Tot
1	2	3	4	5
1.	Agriculture	472.577	327.071	799
2.	Water and Power	808.139	798.302	1,606
3.	Manufacturing and Mining	434.507	196.058	630.
4.	Transport and Communications	450.075	586.945	1,037.
5.	Physical Planning and Housing	208.450	147.625	356.
6.	Education and Training	188.605	156.916	345.
7.	Health	115.820	112.007	227.
8.	Social Welfare	9.147	9.152	18.2
9.	Manpower	6.395	10.783	17.1
10.	Works Programme	156.000	54.000	210.0
11.	Block Provision for Quetta and Kalat	—	6.000	6.0
	Total (Gross) ..	2,849.715	2,404.859	5,254.5
	Less (Shortfall) ..	191.715	62.859	254.57
	Total (Net) ..	2,658.000	2,342.000	5,000.00
	Percentage of Net Allocation	53%	47%	100%

10. In the above table the central expenditure have been divided on the basis of location/benefit of Projects between the two Provinces on a geographical basis and added to the Provincial sectoral allocations. The share of East Pakistan in the total development expenditure will be Rs. 2,658 million or 53% of the total allocation and the share of West Pakistan will be 2,342 million or 47% just in line with the Third Plan allocations for the two regions.

Public sector development expenditure during the Third Plan

Summary

(Million Rupees)

No.	Name of Sector	1965-66 (Actuals)	1966-67 (Actuals)	1967-68 (Estimated Actuals)	1968-69 (Revised Estimates)	1969-70 (Budget Estimates)	Total Estimated expenditure (1965—70)	Third Plan allocation (1965—70)	Percentage Implementation (Col. 8 of Col. 9)
1	2	3	4	5	6	7	8	9	10
1.	Agriculture	339	531	573	701	800	2,944	4,115	72
2.	Water and Power	883	1,142	1,437	1,507	1,606	6,575	8,047	82
3.	Manufacturing and Mining ..	388	499	691	582	631	2,791	4,105	68
4.	Transport and Communications	742	913	909	933	1,037	4,534	6,711	68
5.	Physical Planning and Housing	277	374	333	339	356	1,679	2,477	68
6.	Education and Training ..	142	194	303	295	346	1,280	2,374	54
7.	Health and Medical Services ..	143	126	196	219	228	912	1,175	78
8.	Social Welfare Services ..	6	8	11	14	18	57	90	63
9.	Manpower Training and Labour	4	5	8	9	17	43	86	50
10.	Works Programme	189	140	269	322	216	1,136	1,820	62
	Total ..	3,113	3,932	4,730	4,921	5,255	21,951	31,000	70
	Less Shortfall	—	—	—	—	255	255	1,000	—
	Total (Net)	3,113	3,932	4,730	4,921	5,000	21,696	30,000	70

Note: These figures are derived from the Government budgets and are not necessarily consistent with figures of financial implementation reported in the sectoral chapters which are based on the reports of the implementing agencies. The discrepancies represent time-lag in the reporting of data and completion of final accounts. The reconciled figures will appear in the Evaluation Report for the Third Plan.

Plan Implementation

11. The following table indicates an implementatio n of about Rs. 21,696 million programme in the five years as against Plan expenditure of Rs. 30,000 million in the Public Sector.

Public sector development expenditure 1965-66 *to* 1969-70

12. The table below explains the distribution of development expenditure for the Plan period by location/benefit of projects :—

Development expenditure during The Third Five Year Plan (1965-66 *to* 1969-70) *on regional basis*

(Million Rupees)

Year	East Pakistan	% Allocation expenditure	West Pakistan	% Allocation expenditure	Total
1	2	3	4	5	6
1965-66	1,472	47	1,641	53	3,113
1966-67	1,962	50	1,970	50	3,932
1967-68	2,611	55	2,119	45	4,730
1968-69	2,736	55	2,185	45	4,921
1969-70	2,658	53	2,342	47	5,000
Total ..	11,439	53	10,257	47	21,696

13. This indicates that the expenditure in East Pakistan have been increased from Rs. 1,472 million in 1965-66 to Rs. 2,658 million in 1969-70 an acceleration of about 80 per cent while in West Pakistan it has gone up from Rs. 1,641 million to Rs. 2,342 million an acceleration of 43 per cent. If we add up the expenditure for five years we get an implementation of about 53% for East Pakistan and 47% for West Pakistan.

14. The Programme included in the ADP 1969-70 for each sector are briefly outlined in the following paragraphs.

AGRICULTURE

15. The Annual Developmment Programme provides Rs. 799.6 million for the development of Agriculture, which is about 15.2% of the total allocation ; major emphasis has been placed on areas of quick pay-off, such as fertilizer distribution and Plant Protection :

(*a*) It is planned to distribute 5,42,000 nutrient tons of chemical fertilizers during 1969-70, which is an increase of 47% over the last year.

(*b*) 7.8 Million acres would be covered by curative measures of Plant Protection consisting of ground and aerial operations. All cotton seeds will be treated against soil and seed-borne diseases before its distribution in West Pakistan.

(*c*) Distribution of improved seeds of principal crops would be raised from 12 lac maunds in the current year to 16.5 lac maunds in 1969-70. The seed distribution would include Maxican wheat, IRRI rice, dwarf Basmati rice and new varieties of IRRI rice developed for East Pakistan.

(*d*) Provision had been made for the procurement of 10,000 additional power pumps and installation of 1,200 additional tubewells. In West Pakistan, half a million acres will be developed in the settled districts through tubewells by Agriculture Department and ADC will instal 4,000 tubewells for private farmers.

WATER AND POWER

16. The development programme for 1969-70 provides Rs. 1,606.4 million for the development of Water and Power resources which comes to about 30.6% of the total allocation for ADP 1969-70. The highlights of Water and Power Programmes are :—

(*a*) It is proposed to irrigate an additional area of about 0.75 million acres and improve an area of about 2.958 million acres through drainage, flood protection, anti-water-logging and salinity and other measures during 1969-70.

(*b*) About 1,126 deep tubewells would be installed under SCARP Programme in West Pakistan.

(*c*) About 275 miles of coastal embankments will be completed in East Pakistan during 1969-70.

(*d*) About 230 MW generation capacity would be added in East Pakistan during 1969-70 besides transmission and distribution of power.

(*e*) Major portion of the Karachi Nuclear Power Station would be completed.

(*f*) Work on generation and transmission of power in West Pakistan would be consolidated.

MANUFACTURING

17. In order to increase the growth rate of 10% in the manufacturing sector during 1969-70 Rs. 522 million has been provided for the development of industry, in the public sector programme.

(*a*) In East Pakistan major emphasis would be on jute manufacturing. EPIDC has already installed 1,000 looms and another 250 looms would be installed by June 1969, 1,000 looms are under order and another 500 looms are expected to be ordered for expansion of Sonali and Hasan Askari Jute Mill. The Plan target of export earnings of jute goods estimated at Rs. 800 million by 1969-70 would be surpassed during 1969-70. The earnings from jute are expected to be Rs. 879 million during 1969-70.

(*b*) It is expected that the North Bengal Paper Mills will go into production by 1970.

(*c*) Provision has been made for other industries, like chemical and fertilizers, cement industry, forest industries and other small scale industries.

(*d*) In West Pakistan allocations have been provided for the on-going projects like Heavy Engineering Complex, Heavy Electrical Complex, Heavy Foundry and Forge. Private sector is more active in West Pakistan, and, therefore, allocations for industries have been kept at the minimum level.

(*e*) A token provision of Rs. 5 million has been made for the Steel Mill in West Pakistan by the Central Government besides other schemes like Investment Advisory Centre, Small Schemes in Azad Kashmir and schemes of PCSIR.

MINING

18. An allocation of Rs. 108 million has been provided for mining programme in the public sector.

(*a*) The major projects in East Pakistan pertaining to fuels and minerals are (i) Takerghat Lime Stone and (ii) Jaipurhat Lime Stone and Jamalganj Coal.

(*b*) The Programme in West Pakistan aims at the development of minerals like Copper, Bauxites, China Clay, rocksalt, and other schemes under the administrative control of Provincial Minerals Directorate.

(*c*) The Central Programme includes the survey and investigation work of mineral depos such as glasses, iron ore, China Clay, lime-stones, chromite etc. in East and West Pakista by the Geological Survey of Pakistan.

(*d*) The development of Oil and Gas Resources is being implemented with Russian aid in son areas of Pakistan. The O.G.D.C. discovered gas at Jaldi in East Pakistan, at Sari (ne Karachi) in West Pakistan and Oil at Tut in Campbellpur district which is yielding abo 800 barrels of crude oil per day.

(*e*) Prospecting of Oil and Gas is also being done by private enterprise and Government participating as partner.

TRANSPORT AND COMMUNICATIONS

19. The ADP 1969-70 provides Rs. 1,037.020 million.

(*a*) In the Transport sector, major emphasis has been placed for the development of Transpo and Communications, on road development in West Pakistan and East Pakistan an improvement of inland water transport in East Pakistan. Increasing agricultural produ tion emphasizes the need for improving short haul road transport.

(*b*) In the programme for Railways, emphasis has been placed on the completion of on-goin projects. In the railway programme rolling stock account for 41 per cent of the allocatio and track renewal for 17 per cent. To add to the rolling stock, 60 passenger coaches, 22 othe coaching vehicles and 934 wagons will be procured. About 132 track miles of rails and 30 track miles of slippers will be renewed. In East Pakistan 16 luggage vans, 40 locomotive 77 carriages, 3 tourist cars and a tug will be procured and 50 sugarcane wagons will be r constructed. Besides 105 miles of rail renewal and 125 miles of slipper renewals are pro posed to be undertaken.

(*c*) The Karachi-Hyderabad highway will be completed by the end of 1969. Work will be take up on the Lahore-Lyallpur and Shaikhupura-Khushab highways and the bridge over rive Chenab. New programme gives priority to improvement and widening of existing roads In all during the year, 246 miles of new roads will be constructed and 403 miles of road wi be improved.

(*d*) In East Pakistan, the inland water transport programme aims at clearing the channels fo river navigation inland water port facilities, research in designing and traffic surveys. In order to improve the speed of country crafts, a programme has been included for their mecha nization. The target is to mechanize 1,100 country boats during the year.

(*e*) The road programme in East Pakistan aims at completion of about 100 miles of road during 1969-70.

(*f*) The Central Programme envisages the development of ports and Shipping, Civil Aviation Roads (in Azad Kashmir and Northern areas) Broadcasting etc. About 25,000 additiona telephones will be provided and the postal services will be further improved during 1969-70.

PHYSICAL PLANNING AND HOUSING

20. The ADP for 1969-70 provides Rs. 356.075 million for the most essential needs of housing, water supply and sewerage.

(*a*) The work for WASA-Dacca and WASA-Chittagong will enter into crucial stage and adequate funds have been provided in the ADP.

(*b*) About 20,000 residential plots would be developed during the year. 27,500 Hand-pumps would be provided for water supply in rural areas of East Pakistan and about 72 villages in West Pakistan would be provided with the drinking water facilities.

(*c*) The work on the two capitals is likely to be accomplished during 1969-70, as envisaged in the Third Plan. Allocations have also been made for the on-going schemes for Government servants housing and Government administrative buildings in East and West Pakistan.

EDUCATION AND TRAINING

21. The Annual Plan for the year 1969-70 provides Rs. 345.521 million which is far more significant than the Plan programmes of any previous year.

East Pakistan :

(*a*) Under the programme, 1,666 existing primary schools will be provided with improved buildings and equipment and 300 new primary schools will be established. General improvements will be completed at 100 junior high schools, 264 high schools, 2 intermediate colleges and at the East Pakistan Cadet College, Foujdar Hat. Programme of establishment of 17 vocational institutes at sub-divisional Headquarters will be completed and work at other 18 institutes will be continued. Development work of 31 non-government degree colleges, 11 government degree colleges and of College of Home Economics, Dacca will be carried further.

West Pakistan :

(*b*) Provision has been made for opening 1,000 new primary schools and improvement of 2,500 existing ones, by providing furniture, equipment and teaching aid.

(*c*) About 100 primary schools will be upgraded to middle standard, 20 middle schools will be raised to high standard and 20 new high schools will be opened.

(*d*) Projects for the establishment of 3 Regional Education Extension Service Centres and 4 Centres for in-service training of middle and primary schools teachers will be completed.

(*e*) Programme of expansion of 8 polytechnic institutes will be accelerated. Work will be accelerated in respect of the project for the establishment of 5 new degree colleges.

Centre :

(*f*) A provision for Rs. 7.750 million has been made for the development of university programme of which Rs. 5.5 million will be spent on the construction of buildings of the University of Islamabad.

Rs. 170 million has been provided for the development of education out of the block provision of Rs. 300 million distributed to social sectors in the ADP for 1969-70.

HEALTH AND FAMILY PLANNING

22. The following programmes are proposed to be undertaken in the Health Sector for which Rs. 227.827 million have been provided in the ADP for 1969-70.

Family Planning :

(*a*) Monthly target of 60,000 IUD insertions has been laid down for each Province during the next financial year. Sterilization targets for West and East Pakistan have been fixed at 30,000 and 60,000 per month respectively. In addition, 34 million conventional contraceptives will be distributed in each month.

Malaria Eradication Programme :

(*b*) During the year 1969-70, all zones/districts will come under the operations of the malaria eradications programme in both the provinces.

Medical Education & Training :

(*c*) Work will be continued for the establishment of medical colleges at Sylhet, Mymensingh, Barisal and Rangpur. Work for the improvement and expansion of medical colleges located at different places in West Pakistan will be undertaken.

Hospitals :

(*d*) In West Pakistan existing hospitals will be improved for providing better treatment and diagnostic facilities.

(*e*) In East Pakistan sizeable amounts have been provided for the modernization of hospitals located at Sadar and sub-divisional levels.

Tuberculosis :

(*f*) Mass vaccination under B. C. G. Programme will continue in both the Provinces. Work will continue on 100-bed T. B. Hospital at Khulna.

Rural Health Programme :

(*g*) In West Pakistan 40 rural health centres are likely to be completed during the year. In East Pakistan, a nominal amount has been provided for rural health programme which will be mostly utilised for completing the rural health centres already in progress.

Rs. 14.5 million has been allocated to Health Sector from the block provision.

SOCIAL WELFARE

23. The Programme for 1969-70 amounting to Rs. 18.299 million would provide financial assistance to the voluntary agencies for social welfare and would cater for Community Development in urban and rural areas, youth welfare, child welfare and other social work. To increase the activities in thisSector, it is expected that additional Rs. 13.0 million will be available from the block provision meant for social sectors.

MANPOWER TRAINING AND LABOUR

24. In Manpower and Employment Sector, Rs. 17.178 provision has been made for increasing the number of trained workers, management and productivity development, employment services and Workers, education, industrial relations, social security and industrial welfare. The programme in this Sector has been further supplemented by allocating Rs. 102.5 million of the block provision earmarked for social sectors.

WORKS PROGRAMME

25. An amount of Rs. 210 million has been earmarked for undertaking works programme during the year 1969-70. Rupees 156 million have been allocated for East Pakistan and Rs. 50 million for West Pakistan and about Rs. 4 million for Azad Kashmir and Northern Areas. In East Pakistan, broad emphasis will be on the expansion of the Thana Irrigation Programme and construction of rural roads, culverts, buildings and embankments. In West Pakistan broad emphasis will continue for works resulting in increased agricultural production, construction of foodgrains storage godowns, rural water supply and rural roads.

CHAPTER VI

PRIVATE SECTOR DEVELOPMENT PROGRAMME

Buoyancy of private sector investment was the main element of success in the Second Plan. During the Third Plan, on overall resource constraint in the economy required a review of the sanctioning policy for new investment as well as the incentives mechanism with a view to imparting greater selectivity to the private sector development programme. The decline in the level of private investment during 1965-66 resulted directly from the events preceding and following the September-war with India. The improvement of ten per cent in the level of private investment over the first four years of the Plan reflects mainly increased cost of major inputs with virtually no improvement in real investment. This has been the direct result of the failure of investment demand in East Pakistan to come up to the expected level and the reduced availability of resources which forced a highly selective policy for new industrial sanctions in West Pakistan.

2. The Annual Plan for 1968-69 had set a concrete target of raising the level of private investment by 10 per cent. This would have implied growth in private investment roughly in line with the increase in G. N. P. at current prices. The goal was thus quite a modest one of keeping the ratio of private investment to G.N.P. constant. The developments during the year, however, adversely affected the climate for private investment in the country. The disturbed conditions during November—March period culminating in considerable labour unrest in March probably slowed down the pace of work on existing projects, besides affecting new investment decisions in the economy. Apart from these abnormal factors, it appears that the availability of loanable funds with the credit institutions—both foreign exchange and rupee resources—was inadequate to sustain the planned increase in the level of private investment. According to latest estimates prepared by the Central Statistical Office private investment in current prices was roughly the same as in 1967-68. This is corroborated by the rate of disbursement of loans by specialized credit institutions as well as the absorption of key inputs like machinery equipments and steel in the economy.

TABLE I

Estimates of fixed Capital Formation in the private sector.

(Rupees Million)

(Current Prices)

	1964-65	1965-66	1966-67	1967-68	1968-69 Provisional Estimates
1. Agriculture [1]	537.5	454.5	502.1	543.3	538.7
2. Mining & Quarrying	17.3	11.9	9.2	9.2	9.2
3. Manufacturing :					
(*a*) Large Scale	1,550.9	1,384.3	1,424.3	1,668.7	1,738.6
(*b*) Small Scale	192.4	205.0	225.9	240.7	254.4
4. Construction	44.5	69.3	76.5	41.9	56.8
5. Electricity & Gas	206.4	149.6	197.3	233.0	198.4
6. Transportation & Communications:	626.1	545.3	581.4	481.7	494.9
7. Banking, Insurance & other Institutions	46.0	49.0	36.6	43.9	40.3
8. Ownership of Dwelling	622.1	720.5	724.8	773.2	784.9
9. Services	354.4	389.7	424.8	436.5	445.4
Total Private Investment	4,197.6	3,979.3	4,202.9	4,472.1	4,561.6
1 Includes the following non-monetized investment.	251.7	218.9	239.9	290.9	297.3
2 Excluding private investment in semi-public corporations.					

Source : C.S.O.

3. One of the major policy concerns of the Annual Plan for 1969-70 would be to remove the elemen of uncertainty which may have tended to influence investment decisions during 1968-69. Probably the mo important element in the picture is the relationship between labour and management. Firm Policy announce ment by the Government on labour relations followed by attempts to evolve a broad area of agreement be ween the employers and employees should stabilize the situation and will allow investors to take futu investment decisions on firm assumptions. It is expected that the impact of wage increases will in due cour be absorbed by improved efficiency and better utilization of capacity. It is planned to help this proce by allowing a freer flow of imported raw materials. Larger turn-over based on increase in raw materi availability can possibily absorb increases in other cost elements. The immediate impact will, howeve be a reduction in the funds available for re-investment. The cost of investment will also rise further as result of increase in the rate of duty on imported machinery. It is, therefore, necessary to improve the ava ability of credit for the private sector in order to provide a smooth bridge between increased wages and su sequent improvement in efficiency.

4. An attempt has been made to review the entire incentives mechanism for private investment in a mann that the investment demand in the economy does not for exceed the premissible level of investment dete mined by the resource availability in the country. Such an excess demand has required maintenance direct controls on investment and sanctioning procedures. Implicit in this procedure are windf gains for the recipients of industrial sanctions. Redistributive measures and adjustment in t price of capital goods will take away part of these capital gains. However, at the new level of investme demand, private investment will be encouraged by improved credit facilities as well as improvements in t organization of the capital market for which measures have been announced in the budget.

5. The physical level of private investment during 1969-70 will largely be influenced by investme decisions taken during 1968-69. The disturbed conditions during November 1968—March 1969 perio will thus have a larger bearing on private investment in the next fiscal year. Allowing for some improveme in the overall climate for investment, a realistic target appears to be maintenance of the level of private i vestment.

Regional Distribution

6. The regional distribution of private investment shows considerable imbalance, though some improv ment is discernible in recent figures.

TABLE II

PRIVATE INVESTMENT BY REGIONS

(Current Prices)

(Million Rupee

			Percentage Distributio	
	East Pakistan	West Pakistan	East Pakistan	West Pakista
1964-65	951.3	3,200.2	23%	77%
1965-66	945.6	2,984.7	24%	76%
1966-67	1,033.3	3,133.0	25%	75%
1967-68	1,111.2	3,317.0	25%	75%
1968-69 (Provisional)	1,153.3	3,367.9	26%	74%

Source : C.S.O.

7. Starting from 23 per cent of total private investment in 1964-65, private investment in East Pakistan improved to 26 per cent in 1968-69. The improvements reflect changes in the lending policies of major financing institutions and differential incentives in favour of investment in East Pakistan. The physical level of investment, however, continues to be influenced by the level of sanctions and lending policies followed towards the end of the Second Plan period and the beginning of the Third Plan. In recent years, there has been a substantial improvement in ratio of sanctions of new industries for East Pakistan and the lending institutions have been seeking parity in the new loans between East and West Pakistan. These measures are bound to be reflected in continuous improvement in the ratio of private investment in East Pakistan during the Fourth Plan period. Parity in new loans sanctioned by financing institutions pre-dates the parity in physical investment in the private sector by a few years.

Sectoral Programme

8. The major sectors in which private sector investment is concentrated are Industries, Agriculture, Transport and Communications and Housing. Together they account for three quarters of private investment, with over a third contributed by investment in manufacturing alone.

Industries Sector

9. Investment in large scale industry is the largest single element in private investment and accounts for roughly two-fifths of the total monetized investment in the private sector. The procedures for regulating and assisting such investment are also much better organized than in any other sector. The trends in private industrial investment, therefore, broadly reflect the attitudes and response of the private sector in general.

10. In the private sector, industrial planning and implementation is through the instrument of the Investment Schedule. The Third Five Year Plan envisaged an investment of Rs. 8,300 million in industries by the private sector (Rs. 3,800 million in East Pakistan and Rs. 4,500 million in West Pakistan). In order to achieve this a provision of Rs. 10,880 million (Rs. 5,020 million in East Pakistan and Rs. 5,860 million in West Pakistan) was made in the Comprehensive Industrial Investment Schedule. Actual investment approved during the first three years (1965-66 to 1967-68) of the Plan by all the financing agencies aggregated to Rs. 4,465 million (Rs. 1,110 million in East Pakistan and Rs. 3,355 million in West Pakistan). The heavy sanctions West Pakistan was largely attributable to the sanctions accorded to three fertilizers units and new textile mills amounting to Rs. 1,030 million and Rs. 670 million respectively. (Annexure II (a) of these only two fertilizer factories are actually proceeding for implementation. Sanctions for a number of textile mills are also not likely to be used early.

11. The C.I.I.S. drawn for the Third Plan was reviewed and revised in June 1968 to reflect the new industrial strategy and to promote selective expansion of industries that are relatively less capital intensive, are based on domestic raw materials or ore export oriented.

12. The Priority List of Industries provided for a total investment of Rs. 5,580.7 million during the last two years of the Third Plan. Sanctions issued under the Schedule during the 9 months July 1968 to March 1969 amount to Rs. 808.9 million of which Rs. 416 million was sanctioned for East Pakistan and Rs. 392.2 for West Pakistan.

13. An over-all review of sanctions till March 1969 (Sanctions under C.I.I.S. and P.L.I. etc. against provisions of the C.I.I.S. as originally made for the Third Five Year Plan) is as follows :

	East Pakistan		West Pakistan	
	New Capacity	BMR	New Capacity	BMR
Large and Medium Sector				
C.I.I.S. Provisions	4,183.0	373.4	4,455.5	1,151.6
Total Sanctions (Under CIIS 65—68 PLI to date etc.)	1,479.5	53.0	3,595.2	286.5
% Sanctioned ..	35%	14%	81%	25%
Small Sector				
C.I.I.S. Provisions	391.2	76.9	201.8	51.8
Sanctions	28.5	2.8	87.1	5.3
% Sanctioned ..	7%	4%	43%	10%

14. It may be observed that sanctions of new industrial investment during the first four years of the Third Plan amounts to roughly 54 per cent of the original Comprehensive Industrial Investment Schedule. The performance is much poorer in East Pakistan where only 33 per cent of the provision is sanctioned so far. However, it may be noted that the disparity in sanctions (which is reduced by non-utilization of sanctions in fertilizer and cotton textile industries in West Pakistan) is largely in the first three years. Sanctions under the P. L. I. during 1968-69 were higher in East Pakistan than in West Pakistan.

POLICY ISSUES FOR INDUSTRIAL INVESTMENT PROGRAMME 1969-70

(*a*) Foreign Exchange

15. The availability of foreign exchange to the private sector is governed by the following factors :—

(*i*) In-flow of foreign loans to the financing institutions (PICIC and IDBP) which during 1968-69 amounted to about Rs. 500 million.

(*ii*) In-flow of private foreign investments (both repatriable and non-repatriable) which on an average is around Rs. 70 million per year.

(*iii*) Utilization of Bonus Voucher for import of capital machinery, which averages Rs. 20 million per year.

(*iv*) The in-flow against PAYE is estimated at about Rs. 170 million per year. (Under the PAYE Scheme the payment of capital machinery is made through exports of its manufacture and is confined to industries based on local raw materials).

16. Thus, excluding foreign aid assistance, the in-flow of investments by other forms, would be about Rs. 250 million per year in foreign exchange. Assuming foreign aid in-flow of Rs. 500 million, there would be, therefore, about Rs. 750 million annually in foreign exchange towards the implementation of the Priority List of Industries.

17. Against a total provision in foreign exchange of Rs. 3,077.5 million for two years and an assumed in-flow of Rs. 1,500 million in two years (at the present estimated rate of Rs. 750 million per year), implementation of the Priority List of Industries would amount to 48.7% only. The need for increased in-flow of aid, and promotional activity is, therefore, called for the cover the gap.

(*b*) Rupee Constraint

18. Credits in the form of local currency did not expand in line with the demand for such credits. The ceiling created by the I.M.F. and the servicing of the food support programme limited the availability of credit to the private sector. The rate of interest on credits have also been increasing over the last few years, adding considerably to the cost of financing private sector investment. Financing of inventories, raw materials and down-payments against supplier credits has also become expensive. This provides one of the causes of under-utilized capacity.

(*c*) Other Policy Issues

19. There was a continuation of the shift in the pattern of the source of loans away from I.B.R.D. to suppliers credits and credits from Eastern European countries. The entrepreneurs in Pakistan are not familiar with machinery manufactured in Eastern European countries and the terms of these credits are known to be hard. As a result some foreign credits were not utilized fully.

20. Although the capacity of the domestic capital goods industry is increasing there has been inadequate expansion of credit availability to meet their requirements. Investors also find it difficult to obtain credit to buy domestically produced machinery. This is faced with the contradiction that generous credit facilities are allowed by PICIC and IDBP to import foreign machinery. This lacuna in our policy has been recognised and the availability of credit facilities to meet the requirements of the domestic capital goods industry will be a major policy objective during the Fourth Plan.

21. There are also very specific demands in the private sector which originate from our economic growth. Here the provision of providing adequate linkages between the sectors assumes great importance. This is particularly true of agriculture where there is considerable scope for setting up a modern rice milling industry for the export of rice. Government policy is being increasingly oriented to meet these demands.

Agriculture

22. Fixed Investment in Agriculture in 1968-69 showed little change over the preceding year, despite increased agricultural incomes, fixed monetized investment in agricultural sector has been roughly one per cent of agricultural incomes. This ratio appeared to be declining as agricultural incomes increased.

Investment in Agriculture as a Percentage of Agricultural Incomes

Year	Agriculture incomes at current prices	Fixed Monetized Investment	Total Development Expenditure **	Fixed Monetized Investment as percentage Agri. income	Total Development Expenditure as a percentage of Agri. income
1965-66 ..	23,337	235.6	633	1.0	2.7
1966-67 ..	27,369	262.8	746	1.0	2.7
1967-68 ..	28,090	252.4	790	0.9	2.8
1968-69 ..	29,225	241.4	886	0.8	3.1

Source : C.S.O.

**Including Non-monetized fixed investment in fertilizers.

23. The low level of monetized investment in agriculture is partly understandable in terms of the largely subsistence nature of agricultural organization in Pakistan. However, in part the non-availability of the required inputs acts as a major constraint on agricultural investment. Investment in tube-wells and machinery and equipment have shown very little improvement during the Third Plan after a steady improvement up to 1964-65. Larger imports of requisite equipment and materials can increase private investment in agriculture significantly. Where inputs have been available , *e.s.* fertilizer, expenditure has increased remarkably. It is being increasingly felt that the prices of agricultural inputs are too low while the allocation made for obtaining these inputs has not been large enough. It would, therefore, be desirable to correct the prices of these inputs to a more realistic level and then allow freer availability of these products to the farmer.

Development Expenditure in Agriculture

(Million Rupees)

	1965-66	1966-67	1967-68	1968-69
Fixed Monetized Investment	236	263	252	242
(*i*) Tubewells	71	80	80	81
(*ii*) Machinery, Equipment, etc.	165	183	172	160
Non-Monetized Fixed Investment	219	239	291	297
Expenditure on Fertilizers	178	244	247	347
Total ..	633	746	790	886

24. In East Pakistan fixed monetized investment in agriculture extremely low. The main reason for this, of course, is the small size of holdings, and the general poverty of the farmers. Initially programmes for lend improvement and low-lift pumps etc. are being undertaken in the public sector. Gradually, it is hoped, with the improvement in the economic conditions of the farmer, larger investment would be undertaken in the private sector. Credit facilities would have to be developed more extensively during the Fourth Plan to activize the private sector in agriculture particularly in East Pakistan.

Programme for 1969-70

25. The development of agriculture continues to be given top priority in the development plans of the country. Increased facilities are being provided for investment in the private sector in view of the expanding agricultural incomes in the rural areas. Efforts are being made to remove the bottlenecks faced by the farmers in securing tube-wells and machinery and equipment. It is expected that the A.D.B.P. will lend a sum of Rs. 270 million in 1969-70 as compared with Rs. 185 million in 1968-69. The I. D. A. has provided loans of $ 42 million to be channelled to agriculture through A.D.B.P. Another loan of $ 30 million has been negotiated for 1969-70. The State Bank of Pakistan is also planning to increase the level of its assistance for agricultural credit through A.D.B.P. and the co-operative credit organization.

26. The subsidy on Fertilizer will remain unchanged for 1969-70. Better seeds are being developed which should become available in the spring of 1970. These include new wheat strains for West Pakistan and higher yielding rice for East Pakistan. Greater attention is also being given to the provision of insecticides and pesticides.

Transport and Communications

27. Private Investment in the Transport and Communications sector showed a slight rise from Rs. 482 million in 1967-68 to Rs. 495 million in 1968-69. However, it still has not recovered to the level of Rs. 581 million reached in 1966-67.

28. The slow-down in the pace of investment in this sector, which is mainly in the form of road transport service in West Pakistan, was due to the steep rise in initial and operating costs. Import of trucks and buses can only be made through bonus vouchers with consequent increases in their prices. In addition the required transport equipment is in short supply and spare parts are not always available. Uncertainly which prevailed due to changes in the licensing system also made private investors more hesitant in this sector.

29. Healthy growth of the transport sector is of prime importance to the economy. The need is further strengthened by the fact that growing agricultural surpluses will have to be moved rapidly to the consuming and exports centres. Efforts are being made to co-ordinate efforts for the development of transport in a systematic manner and to evolve comprehensive policies for this area. A Transport Co-ordination Cell has been set up in the West Pakistan Planning & Development Department and consultants are being hired to assist in this important task. Similar approach is being adopted for East Pakistan.

FINANCING OF PRIVATE SECTOR PROGRAMME

30. Private Sector investment continues to be largely Self-financed. Increasingly however, specialized credit institutions and banks are playing a catalystic role in inducing larger investment and bringing forth household and business savings for further expansion. Activities of various institutions during 1968-69 and programme for 1969-70 are listed below to indicate the nature of improvements in institutional financing being sought in 1969-70. The banking system is expected to provide additional credit of Rs. 1,280 million to the private sector. By and large, bank credit meets the requirements of trade and the working capital needs of industry. However, the banking system has been playing an increasing by important role in providing development funds to industry.

Financial Institutions

31. The major financial institutions had planned to lend about Rs. 1,200 million to the private sector in 1968-69. Preliminary estimates of actual operations by the financial institutions indicate that a target of about Rs. 893 million may be achieved. The planned increase in lending operations of the major financial institutions did not materialize as a result of reduced availability of resources in foreign loans and rupee funds as well as disturbed conditions beginning from November, 1968. Disbursements of loans are estimated even lower at Rs. 758 million. The institutions are maintaining near parity in their fresh loans as between the two regions.

For 1969-70, arrangements are being made to divert a larger flow of foreign assistance to the private sector. The Private Sector has been allocated s 126 million of foreign loans being negotiated for 1969-70. In addition the Central Budget has a earmarked Rs. 160 million of public funds to be channelled as loans to the private sector through specialized financial institutions. Mobilization of resources by the financing institutions in the form of return flow on existing loans and fresh borrowing in this market would provide an additional minimum of Rs. 150 million. The financing institutions can thus expand their loaning programme beyond the Rs. 700 million level estimated for the current year.

PROGRAMME OF THE FINANCIAL INSTITUTIONS DURING 1969-70

Pakistan Industrial Credit and Investment Corporation Ltd.

32. On the trends of past operations, relative economic priorities of the various sectors of the industry and the enthusiasm shown by the loan applicants, PICIC expects its loan operations during 1969-70to be as under :

(Million Rupees)

	East Pakistan	West Pakistan	All Pakistan
Foreign currency loans	127.8	127.8	255.6
Local currency loans	12.7	12.7	25.4
Total financing ..	140.5	140.5	281.0

33. During 1968-69, new loan sanctions totalled Rs. 389 million during the first 9 month. The ratio of sanctions for the two wings of the country is about 50 : 50 which reflects PICIC's intention to maintain a strict parity between East and West Pakistan. During first half of 1968-69 share of East Pakistan in the total loan sanctions of PICIC was about 54%.

34. It is estimated that the projected loan sanctions of Rs. 281 million would generate investment amounting to Rs. 294 million from non-PICIC sources such as owner's investment, bank's contribution, direct foreign currency loans and equity investments and custom debentures etc. The total investment resulting from PICIC's financing during 1969-70 would therefore amount to Rs. 575 million.

35. PICIC's estimated disbursement of loans during 1969-70 is Rs. 214 million as against estimated disbursement of Rs. 181 million during 1968-69.

36. Besides loans an important form of PICIC's assistance to industries is equity investment. In view of the shortage of funds in the capital market PICIC is now attaching a much greater importance to this function. During first half of 1968-69 PICIC's equity investments amounted to Rs. 4.0 million which is estimated to increase to Rs. 5.0 million by the end of 1968-69. For 1969-70 PICIC's target of equity investment is Rs. 5.5 million which would be largely through direct equity investment and underwriting commitments.

Industrial Development Bank of Pakistan

37. Actual disbursements by I.D.B.P. during July 1968 to April 1969, amounted to Rs. 104.6 million. This compares with disbursements of Rs. 139.7 million in 1967-68.

38. The investment climate during November—March period had a much more direct bearing on the operations of IDBP than in the case of PICIC. The Industrial Development Bank deals mainly with relatively small and medium borrowers many of whom are new entrants in the industrial field. The uncertainty during the disturbances affected their eagreness to proceed with their operations or press for new loans. The generally tight credit situation prevailing in the country during 1968-69 also applied some restraint at the pace at which foreign loans granted by IDBP could be utilized.

39. The large shortfall in the estimated lending of IDBP is a cause of concern since deals with the small investors.

40. During 1969-70, IDBP expects to disburse about Rs. 280 million in foreign currency and Rs. 70 million in local currency.

Investment Corporation of Pakistan

41. The ICP envisaged a total investment programme of Rs. 345.6 million at the time of preparation of the Private Sector Annual Plan for the year 1968-69. This target was based on the assumption that the lending operations of PICIC and IDBP would materialise only after the underwriters fill the equity gap left after ploughing back of retained earnings of the corporate sector, sponsors' contribution to paid-up capital and public subscription to new issues.

42. The Corporation is now expected to undertake a total investment programme of Rs. 116.7 million. This is in line with the general scaling down of operations in the private sector. Nearly 57% of this programme is expected to be financed from drawing down of free cash balance and internal generation of resources. The balance would be financed from Government loans.

43. The ICP has formulated its financing programme for the year 1969-70 on the basis of a total private industrial investment in the large and medium industrial sector of Rs. 1,142 million. This is derived by taking the lending operations of PICIC and IDBP, including debenture financing envisaged by ICP and NIT as constants and assuming that the overall relationship between debt and equity would be in the ratio of 1 : 1. On the equity side allowance has been made for the ability of the corporate sector to finance equity investment out of retained earnings and the sponsors' contribution to the paid-up capital. Together these are expected to contribute nearly 32% of the capital structure for new investments. Another, 17.8% will be financed in the form of equity absorption by the public and other financial institutions (8.2%) and ICP's purchase of shares in under-written projects (9.5%). The Corporation is estimated to absorb Rs. 108.9 million in the form of underwriting take-ups. The sharp acceleration in equity take-up as compared to Rs. 30 million during 1968-69 is explained by considerations of the need to fill the equity gap, given the size of private industrial investment programme in the large and medium industrial sector emerging from the lending operations of PICIC and IDBP. In addition the Corporation also estimates to disburse Rs. 40 million for debenture financing, Rs. 33 million for loans under the Investors' Scheme and Rs. 35 million for investment in the existing shares. These estimates are based on normal rates of growth over 1968-69. Together, the overall investment programme of ICP would amount to Rs. 217 million during 1969-70.

National Investment Trust

44. The NIT was set up to mobilise small savings and invest the amount thus collected in the share market. By April 1969 an amount of Rs. 255 million had been mobilized. Investment made from the Trust funds amounted to Rs. 205 million including Rs. 10.6 million invested in debentures. It is expected that the aggregate amount raised by the sale of NIT units upto the end of 1969-70 may well be to the order of Rs. 350 million. At this time the total amount of different types of investments made by the NIT will be about Rs. 300 million. NIT would thus be in a position to contribute roughly Rs. 100 million to the purchase of additional shares and debentures during 1969-70.

45. In making its investments on the Stock market, NIT is generally guided by basic considerations such as safety of capital, growth of the Company, capital appreciation in share prices and an assured income. It does not therefore, make any rigid sectoral allocation.

Agricultural Development Bank of Pakistan

46. The total loan disbursements by ADBP are estimated to amount to Rs. 185 million during 1968-69 against the planned target of Rs. 243 million. The shortfall of Rs. 58 million is mainly because of ack o availability of suitable foreign credits. The estimated loan disbursements during 1969-70 are placed at Rs. 270 million. The requirement of funds is placed at Rs. 147 million is foreign currency and Rs. 35 million in local currency from the Government.

House Building Finance Corporation

47. The disbursements of loans by the Corporation are estimated at Rs. 45 million during 1968-69. Its lending programme for 1969-70 is of the same magnitude.

48. Its total requirements of funds during 1969-70 is placed at Rs. 50 million. It proposes to meet this requirement to the extent of Rs. 30 million by re. overies of its outstanding loan and Rs. 10 million represents the shortfall in resource availability.

49. The lending programmes of the financial institutions during 1969-70 aggregate to Rs. 1,213 million. This represents the level being aimed at by the financing institutions. Actual loan sanctions and disbursements are likely to be considerably lower :

TABLE III

Planned Operations of Financial Institutions during 1969-70

(Million Rupees)

	Local currency		Foreign currency		Total		All Pak.
	E. Pak.	W. Pak.	E. Pak.	W. Pak.	E. Pak.	W. Pak.	
PICIC	7.7	7.7	127.8	127.8	135.5	135.5	28 1.0
ADBP	40.0	30.0	135.0	145.0	175.0	175.0	350.0
ADBP					135.0	135.0	270.0
HBFC					22.5	22.5	45.0
ICP						217.0	217.0
NIT						50.0	50.0
					Total ..		1,213.0

50. In the light of their lending programmes for 1969-70 the financial institutions indicated that they would require about Rs. 840 million in foreign currency and about Rs. 160 million in local currency.

51. During 1969-70, efforts will be made to secure about Rs. 500 million of foreign credits for these institutions. Another Rs. 160 million will be channelled to them through the Government budget. These agencies are expected to mobilise about Rs. 150 million from their own resources for supplementary available loanable funds. On this basis it is expected that the lending of the specialized credit institutions to the private sector would amount to about Rs. 900 million during 1969-70.

CHAPTER VII

BALANCE OF PAYMENTS AND EXTERNAL RESOURCES

The Third Plan strategy in the filed of balance of payments has been to gradually reduce Pakistan's dependence on foreign assistance by a combination of acceleration in the pace of growth in exports and a rapid import substitution programme. For allocating scarce foreign exchange to high priority uses including import of raw materials for industry, increasingly reliance is to be placed in price effective mechanism. Pricing of foreign exchange is being adjusted to reflect its scarcity value. During the year 1969-70, the last year of the Third Plan, the policy measures and programme already undertaken in line with the above Plan strategy will be consolidated. The Annual Plan, 1969-70, will specifically use the elements of strength *viz.* combined growth in some improvement in foreign aid commitments and larger reserves, to augment the supply of industrial raw materials and agricultural inputs in the country. This will permit a greater utilization of industrial capacity and will facilitate meeting the production, export and other targets set out in the Annual Plan.

A BRIEF REVIEW OF 1968-69

2. The balance of payments situation during 1968-69 was characterised by three main factors.

Firstly, the foreign exchange earnings maintained a high growth rate of 10.7 per cent during the year (*see* Table I).

Secondly, aid disbursements were 18 per cent above the 1967-68 level, though still 12 per cent below the level anticipated at the time of Annual Plan formulation.

Thirdly, the correction of imports prices for raw materials, though a shift to bonus or Cash-*cum*-Bonus list as well as duty adjustments exercised a highly restraining influence on imports demand. The effect of price adjustment was strengthened by a sharp decline in the availability of credit for the private sector. Import commitments might also have been deferred due to the disturbed situation during the last November—March period. Imports and payments during the year were Rs. 6,632 million compared to the Annual Plan estimate of Rs. 7,280 million or roughly 9 per cent lower than the original projections.

3. These factors combined with the surrender of foreign exchange illegally held abroad and declared under Martial Law Regulation No. 34 are reflected in a substantial increase in foreign exchange reserves. Allowing for changes in short-term liabilities, the foreign exchange reserves of the country showed an increase of Rs. 270 million over the year.

EXPORT TARGETS AND POLICIES

4. Table I below shows that as against the estimated export target of Rs. 3,450 million, merchandise exports during 1968-69 were Rs. 3,240 million. The projections of primary exports for 1968-69 were based on expectations of a sizeable increase in exportable surpluses of jute, cotton, rice and maize. This did not materialize due to shortfalls in production and rising domestic consumption. There was a shortfall of 28% in the export of primary commodities. However, the earnings from manufactured products were 13% higher than the projection. Exports of cotton manufactures, leather and miscellaneous manufactured goods increased by 24%, 70% and 44% respectively over the projections. The official export projection for 1969-70 with the corresponding data for 1967-68 and 1968-69 are given below :

TABLE I

Value of Export during 1967-68 *and* 1968-69 *and Targets for* 1969-70

(Rs. Million)

Items	1967-68 Actuals	1968-69 Projections	1968-69 Actuals	1969-70 Targets
A. **Primary Commodities**	**1,581.8**	**1,889.0**	**1,480.7**	**1,587.2**
1. Raw jute	773.1	900.0	730.9	785.0
2. Raw Cotton	443.4	439.0	347.6	405.5
3. Hides and Skins	7.2	13.0	3.9	8.0
4. Raw Wool	37.0	50.0	40.0	45.0
5. Rice	149.4	290.0	155.2	206.2
6. Fish	18.0	30.0	73.5	80.0
7. Others	153.7	167.0	129.6	137.5
B. **Manufactured Products**				
8. Jute Manufactures	616,9	720.0	660.2	807.2
9. Cotton Manufacture	416.4	370.0	459.2	470.0
10. Fish processed	38.9	55.0	6.5	7.5
11. Tanned Leather	126.8	110.0	188.9	175.0
12. Others	343.3	306.0	444.5	510.0
Tota	3,124.2	3,450.0	3,240.0	3,457.0

5. The export target for 1969-70 aims at an overall increase of 9.8 per cent in manufactured goods and 10 per cent in the invisibles over the export level of 1968-69. A minor increase in the earnings from raw jute has been projected, but earnings from jute manufactures are projected to increase by 22 per cent. Most of increased cotton manufactures are likely to be domestically consumed, as such, only a very small increase in earnings from export of cotton manufactures is forecast. The earnings from raw cotton and rice manufactures is forecast. The earnings from raw cotton and rice (mainly Basmati) are porjected to increase by 10 per cant and 33 per cent respectively.

6. These targets can be achieved if suitable policy measures are taken. These include the following :

(*a*) Imported items required by the export oriented industries, which are not included in the list of industries eligible for Export Performance Licence, may be licensed under cash-*cum*-bonus.

(*b*) Import of balancing, modernization and replacement of machinery should be allowed to the export oriented industries, and increase the ceiling wherever required and justified.

(*c*) Export promotion measures, such as, establishment of business contacts, participation in the international trade fairs, study of export markets, etc. should be encouraged.

(*d*) Since uncertainty in profit earnings may damage promotional efforts, export bonus rates should not be changed during the currency of the current export policy. Any change in rate, if made, should not apply to firm and outstanding contracts entered into before the date of change.

FOREIGN ASSISTANCE

Estimated Utilization during 1968-69

7. The availability of foreign assistance during 1968-69 is likely to fallshort of Annual Plan expectations. The Consortium pledges during the year were only $ 391 million as against $ 500 million originally expected. The main shortfall was in non-project pledges which now add up to $ 122.3 million from the Consortium countries as against $ 230—250 million assumed in the Annual Plan 1968-69. In terms of commitments, the position was somewhat better due to the availability of uncommitted pledges at the beginning of the year both from Consortium and non-Consortium sources. The total commitments during the year are estimated at $ 550 million (project assistance of $ 400 million and non-project assistance of $150 million).

8. The aid utilization during 1968-69 was about 12 per cent less than the projections. Lower disbursements of non-project assistance were directly related to reduced non-project pledges and commitments. The utilization of project assistance in the public sector was also slowed down as a result of shortage of rupee resources. There was no shortfall in the private sector utilization of project assistance. The non-project aid utilization was 13 per cent less than the projection, *i.e.* $ 206 million as against $ 235 million. However, the disbursements of $ 206 million during the year showed a marked improvement over the actual disbursements of $ 148 million during 1967-68.

TABLE II

Utilization of External Assistance, 1968-69

($ Million)

Item	Annual Plan Estimates	Revised Estimates
A. Project Assistance	388	346
I. Public	(263)	(220)
II. Private	(125)	(126)
B. Non-Project Assistance	235	206
C. Total (A+B)	623	552

Projection for 1969-70

9. The aid pipeline of $ 1,000 million at the beginning of the financial year 1969-70 is about the same as at the beginning of 1968-69. However, the non-project portion of the aid pipeline at the beginning of the year will be somewhat lower than the previous year (*see* table III).

TABLE III

Status of the Aid Pipeline

($ Million)

Item	Project	Non-Project	Total
Aid Pipeline as of June, 1968	765	237	1,002
Estimated commitments 1968-69	400	150	550
Disbursements, 1968-69	346	206	552
Expected Aid Pipeline as of June, 1969	819	181	1,000

10. For the final year of the Third Plan, Pakistan requested the Consortium for fresh pledges of $ 500 million, which has been fully endorsed by the Consortium. The actual availability from Consortium, however, is expected to be at least $ 450 million, of which about $ 200 million will be in the form of non-project assistance. This level of non-project assistance is less than the projected requirements, but shows a marked improvement over the previous year when the amount pledged as non-project assistance through the Consortium amounted to $ 122 million only.

TABLE IV

Balance of Payments for 1967-68 *to* 1969-70

(Million Rs.)

	1967-68 (Actuals)	1968-69 (Projections)	1968-69 (R. Estimates)	1969-70 (Projections)
1	2	3	4	5
A. PAYMENTS	6222	7280	6632	7475
I. **Development**	3245	4150	3621	4165
1. Capital goods	2102	2850	2340	2710
2. Raw material for capital goods ..	965	1200	1071	1245
3. Technical Assistance	178	100	210	210
II. **Non-Development**	2977	3130	3011	3310
1. Consumer goods	492	690	546	633
2. Raw material for consumer goods ..	604	875	672	778
3. Invisible	1095	850	1050	1100
4. Debt servicing of which interest repayments	643 (228)	715 —	720 (280)	799 (327)
5. Repayment of short term food credits ..	143	—	24	—

1	2	3	4	5
B. FINANCED BY				
I. Own Earnings	**3706**	**4150**	**4101**	**4510**
1. Physical Exports	2896	3450	3146	3460
2. Invisible	810	700	955	1050
II. Foreign grants and loans	**2272**	**2970**	**2691**	**2850**
1. Project assistance	1530	1750	1649	1790
2. Non-project assistance	705	1120	980	1010
3. Technical Assistance	37	100	62	50
III. Foreign Private Investment	**103**	**—160**	**—110**	**—115**
IV. Changes in gold and Foreign Exchange Reserves	**121**	**—**	**—270**	**—**
V. Errors and Omissions	**20**	**—**	**—**	**—**
Total Financing ..	6222	7280	6632	7455

1. The above Table is based on the latest available information and has been reconciled with Economic Affairs Division and the State Bank of Pakistan. A trial balance of Payments for 1967-68 is currently being compiled by the State Bank of Pakistan. As the results of this study are available, necessary adjustments will be made.

2. On the export side, land borne trade has been included.

3. This include fertilizer imports.

	1967-68 (Actuals)	1968-69 (Estimates)	1969-70 (Projections)
P.L. 480	773.9	290.0	400.0
Indus Basin including Tarbela	415.0	400.00	500.0

11. In recent years, there has been some increase in assistance in the public sector has resulted in a substantial build-up the aid pipeline of the Public Sector, while aid availability of the private sector has been somewhat lower than the private sector's absorptive capacity. Steps are being taken to channel a major portion of new commitments to the financial and development corporations in the private sector. In view of the higher project aid pipeline at the beginning of the year, it is hoped that project aid disbursements during 1969-70 would be around $ 376 million compared to $ 346 million during 1968-69. The utilization of $ 376 million is based on the expectation that private sector aid utilization would increase from $ 126 million to $ 147 million.

12. A statement showing the revised estimates of aid disbursements during 1968-69 and projections for 1969-70 are given below :

TABLE V

Foreign Assistance during 1967—70

(Rs Million)

Items	1967-68 (Actuals)	1968-69 (R. Estimates)	1969-70 (Projections)
A. **Project Assistance**	**316**	**346**	**376**
I. Public Sector	180	220	229
II. Private Sector	136	126	147
B. **Non-Project Assistance**	**143**	**206**	**212**
Total (A + B) ..	464	552	588

Import Requirements and Policies

13. Total payments during 1968-69 (including PL 480 and Indus Basin Imports) were projected at Rs. 7,288 million. The revised estimates for total payments are now placed at Rs. 6,632 million—9 per cent less than original projections. The invisible expenditure excluding defence was somewhat higher but this increase was more than counter-balanced by lower than expected merchandise imports.

14. Though the imports and payments during 1968-69 were about 6.5 per cent higher than 1967-68, the availability of resources for industrial raw material hardly improved during the year. The increased availability of non-project assistance was used for agricultural inputs like fertilizer and pesticides with the result industrial growth rate was adversely affected. To solve this problem, increased foreign exchange has been allocated to the private sector for industrial inputs for 1969-70 ; and to facilitate this change, the import policy has been liberalised in several basic ways :

(*a*) Several major raw material items, including billets, have been shifted from the Bonus List to the Cash-*cum*-Bonus list, thus lowering their cost and greatly expanding the amount of intermediates coming into the economy under uniform conditions and costs.

(*b*) The resulting reduction in the demand for Bonus Vouchers has lowered the premium, so that the broader range of intermediates under Cash-*cum*-Bonus is being priced into the economy at more realistic rates.

(*c*) New comers from the less developed regions of Pakistan have been given an expanded role in imported trade.

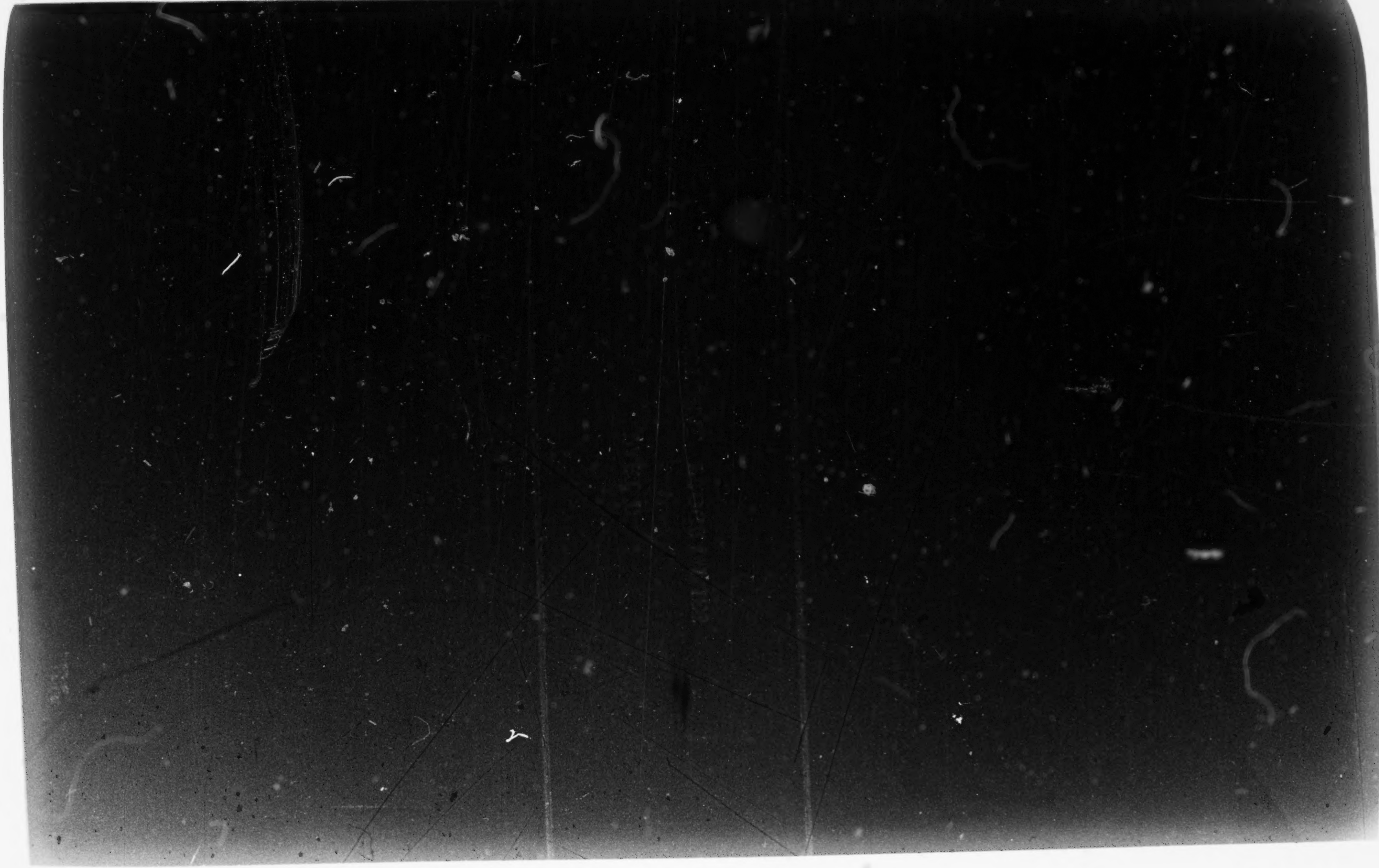
It is anticipated that liberalized imports of raw materials will facilitate the greater utilization of capacity, and contribute more than proportionately to expanded production.

15. Closely related to the increased supply of intermediates are the recent changes in tariff rates announced in the Budget for 1969-70. More efficient allocation of imported capital goods, to minimize the problem of excess capacity in the future, will be facilitated by the increased duty on all machinery, including that destined for the agricultural sector. The higher landed cost will encourage greater economy and efficiency in the utilization of capital, and it will reduce somewhat the excess demand, to a level more in line with available supply. Further, the higher duty will give protection to domestic capital goods producers, who will be able to compete more effectively against foreign goods. Finally, the higher cost of capital will discourage the uneconomic use of highly capital-intensive labour-saving equipment, which is unsuited to Pakistan's employment conditions.

16. Thus the combination of changes in import policy and tariff policy are expected to bring about a better balanced and more efficient utilization of foreign resources, the availability of which will be expanded due to increased exports, higher levels of foreign assistance, and a better initial reserve position.

PART II

SECTORAL PROGRAMMES



CHAPTER VIII

AGRICULTURE

The Third Five-Year Plan accorded a high priority to agriculture, the major objectives being the increase in the real income of farmers, self-sufficiency in food, and to build the agricultural infrastructure through improvements in agricultural organisations, marketing, co-operatives and storage. As a result of the programmes aiming at these objectives, agriculture has made rapid progress in the implementation of development programmes during the first four years of the Plan.

2. In spite of experiencing unfavourable climatic conditions during the first two years of the Third Plan, crop production has gone up steadily during 1967-68 period. The production of foodgrains jumped from 16.4 million tons in 1966-67 to 20.4 million tons in 1967-68 showing an increase of about 25 per cent during one year. According to the latest information, it is estimated that the production will further rise to 21.5 million tons during 1968-69 showing an increase of 15 per cent over the preceding year. The production of cotton is expected to increase from 2.1 million bales in 1964-65 to about 2.97 million bales in 1968-69. The present trend of events indicates that crop production will grow at an equally fast pace during the last year of the Third Plan, thus enabling the country to achieve the target of 5 per cent growth rate per year during the Fourth Five-Year Plan. In fact, the spectacular growth in the agriculture sector is likely to convert the country from a net importer to a net exporter of foodgrains during 1969-70.

3. The above gains in agricultural production, particularly foodgrains, have been the result of a number of policy decisions and programmes adopted by the Government like the support prices for agricultural crops, increased fertilizer distribution, extensive use of improved seeds and extended irrigation facilities. The Government fixed the support prices for wheat, rice, maize and jute and the procurement programmes were implemented accordingly. Similarly, steps were taken to streamline fertilizer procurement and distribution and other programmes in this field with the result that fertilizer consumption has shown a steep upward trend during the first four years of the Third Plan. From the consumption level of 132 thousand nutrient tons in 1964-65 the consumption is expected to be of the order of 369 thousand nutrient tons in 1968-69 or an increase of 180 per cent in four years.

4. Under the Improved Seed Distribution Programme, the availability of seed of high yielding varieties of wheat and rice have contributed significantly to accelerate agricultural production particularly in West Pakistan. The rapid adaptation of better seeds is demonstrated by the rise in area under Maxican varieties of wheat from 2.4 million acres in 1967-68 to 6.0 million acres in 1968-69. The target of bringing 1.0 million acres under IRRI Rice in West Pakistan in 1968-69 has also been almost achieved.

5. In East Pakistan, the development of irrigation facilities has contributed significantly to agricultural production. At the beginning of the Plan, the East Pakistan Agricultural Development Corporation had hired out only about 2,238 water pumps for irrigation purposes. By 1967-68 their number had increased to 6,558 and by 1968-69 it had reached 10,852 thus, raising the area irrigated by water pumps in the Province to 500,000 acres in 1968-69 from 131,000 acres in 1964-65.

6. In financial terms, the implementation has not been as impressive. Against the total allocation of Rs. 4,115 million for the agriculture sector for the Third Five Year Plan, the utilisation of funds during the first four years is estimated to be around Rs. 2,167 million or about 53 per cent of the Plan allocation. The main reasons for the shortfall could be identified as inadequate allocation in the Annual Development Programmes/Annual Plans, late submission of project proposals particularly in West Pakistan, lack of submission of properly drawn up projects, and the late release of funds by the Finance Departments and the Ministry. Although attention is being paid to correct the administrative bottlenecks involved yet radical changes will have to be made in the mode of the release of funds as well as the preparation of projects by the executive agencies.

7. The 1969-70 programme for the development of agriculture will have the benefit of impressive gains made in this sector in the preceding years. But on the other hand, certain basic problems will have to be resolved during the course of the year. The subsidy on fertilizers has been a Major factor in their wide spread acceptance and use. For the coming year, it will be continued but during the course of the year, a decision will have to be taken about its future. Similarly, with the bumper food crops in the Provinces, storage facilities will have to be provided in the years to come. In the formulation of the programme for 1969-70, attention has also been paid to the question of water rates in both the Provinces in view of the increase in agricultural incomes resulting from the steep rise in agricultural production.

DEVELOPMENT PROGRAMME FOR 1969-70

8. For the development programme for 1969-70 in the Agriculture Sector an allocation of Rs. 744.7 million has been made. The break-down by executive agencies is as under. Financial allocation for each sub-sector by implementing agencies is given at the end of this chapter.

	(Million Rupees)
East Pakistan	368.2
West Pakistan	283.5
Centre	93.0
Total ..	744.7

9. In formulating the Annual Plan for the Agriculture Sector, major emphasis has been given to programmes including higher returns in the near future such as fertilizer, plant protection, mechanisation, development of new land (where water facilities are available) and improved seed programme. The main programmes which are proposed to be implemented during 1969-70 are described below.

Crop Production

10. The programmes for the year 1969-70 envisage increases in crop production particularly of foodgrains to meet the national objective of self-sufficiency in food and increasing the production of crops earning foreign exchange. The production targets for major crops for the year 1969-70 are given in Table I. They are subject to the examination and approval of the Provincial Agricultural Policy Committees.

Estimated production of major crops for 1968-69 *and targets for* 1969-70

Crop	1968-69			1969-70		
	East Pakistan	West Pakistan	Total	East Pakistan	West Pakistan	Total
	Million tons			Million tons		
Rice	10.9	2.1	13.0	12.3	2.3	14.6
Wheat	(a)	6.8	6.8	(a)	7.0	7.0
Maize	(a)	0.6	0.8	(a)	0.9	0.9
	Million bales			Million bales		
Jute	5.8	—	5.8	7.0	—	7.0
Cotton	0.01	2.96	2.97	(a)	3.2	3.2

(a) These are minor crops hence targets are not set for them.

The major programmes for the achievement of the above targets during 1969-70 are discussed in the following paragraphs.

Fertilizer

11. It is planned to distribute 472,000 nutrient tons of chemical fertilizers during 1969-70 against the estimated consumption of 369,000 nutrient tons during 1968-69, this will mean an increase of 28 per cent over the likely performance in 1968-69. Emphasis will be laid on reducing the gap in the use of different kinds of fertilizers (*viz.* nitrogenous and phosphatic) with a view to achieve their more balanced use particularly in West Pakistan. The ratio of nitrogenous and phosphatic fertilizer in West Pakistan which was 16 : 1 in 1967-68 is likely to be reduced to 6 : 1 in 1968-69 ; the programme during 1969-70 envisages further improvement when the ratio will be 5 : 1.

12. The programme for the consumption of different kinds fo fertilizers in the two provinces during 1969-70 is given below :

Fertilizer consumption programme for 1969-70

('000' nutrient tons)

Fertilizer	East Pakistan	West Pakistan	Total
Nitrogen	95	273	368
Phosphorus	30	57	87
Potash	10	7	17
Total	135	337	472

In order to facilitate fetilizer supply in East Pakistan, it is planned to construct an additional storage capacity of 3,400 tons for fertilizer storage during 1969-70.

Plant Protection

13. The plant protection coverage in West Pakistan has fluctuated from year to year and in general indicates a declining trend: the reason being that these operations are in the process of streamlining and re-organisation with a view to make them more effective. For example, in West Pakistan the subsidy of 100 per cent has been reduced to 75 per cent so that the farmers pay about 25 per cent of the pesticides costs. This has helped, *inter alia*, in obtaining better results through active participation of the farmers. However, the policy of the free plant protection services will continue during 1969-70 in East Pakistan. The Government has also taken the policy decision that in West Pakistan during 1969-70, plant protection operations will mainly be carried out by private sector as against the practice of conducting these operations through Government agencies.

14. The area likely to be covered by curative measures consisting of ground and aerial operations during 1969-70 will be 7.8 million acres. Preventive measures consisting largely of seed treatment against soil and seed-borne diseases will be intensified during 1969-70. All cotton seed will be treated against soil and seed-borne diseases before it is distributd by the ADC in West Pakistan.

Improved Seeds

15. It is planned to distribute 16.5 lakh maunds of improved seeds of principal crops during 1969-70 through the Government agencies mainly the Agricultural Development Corporations against the estimated distribution of about 1.2 million maunds in 1968-69. The programme will include distribution of about 600,000 maunds of Mexican wheat and 35,000 maunds of IRRI rice and 70,000 maunds of dwarf basmati rice seed in West Pakistan and 20,000 maunds of IRRI rice in East Pakistan. The crop-wise distribution programme as envisaged during 1969-70 is given as under :

('000' maunds)

Crop	East Pakitan	West Pakistan	Total
Wheat	.18	6.48	6.66
Rice	0.76	1.12	1.88
Maize	—	.10	.10
Cotton	—	6.38	6.38
Jute	14	—	14
Gram	—	40	40
Potato	—	90	90
Total	1.08	15.38	16.46

Mechanization

16. During the year 1969-70, arrangements for the procurement of around 10,000 new power pumps would be made for East Pakistan which would enable East Pakistan Agriculture Development Corporation to hire out around 17,000 power pumps under the Thana Irrigation Project; these pumps would irrigate about 850 thousand acres of land. Work on the regional and zonal workshops to provide repair and maintenance facilities to the pumps programme would be continued. Under the programme for sinking of tubewells in East Pakistan, about 1,200 tubewells are expected to be installed during 1969-70, half of which would be installed by East Pakistan Agriculture Development Corporation and the other half by the private contractors. In addition, about 30,000 acres of land is expected to be cultivated by tractors.

17. With the use of the heavy earth-moving machinery, it is expected that about 500,000 acres will be developed by West Pakistan Agriculture Department in the settled districts. Similarly, the number of tubewells bored for private farmers by the Agriculture Department and the Agriculture Development Corporation will increase to about 4,000 during 1969-70. Facilities for boring of tubewells will be expanded through import of additional machinery.

18. In West Pakistan, the programme for construction of divisional and district workshops will be continued during the year 1969-70 and it is expected that by the end of the Third Plan period, almost all these workshops would be completed.

Soil Survey

19. Under the Rapid Soil Fertility Survey Scheme, trials on the farmers' fields will be continued in East and West Pakistan to determine the optimum use of different types of fertilizer under different ecological and agricultural conditions.

20. Under the Soil Survey Project of Pakistan which aims at conducting basic soil survey for the whole country at reconnaissance level, an area of 6,000 square miles (3.84 million acres) and 12,000 square miles (7.68 million acres) is proposed to be surveyed in East Pakistan and West Pakistan respectively. This would mean that by the end of Third Plan period, a total area of 97,650 square miles (62.50 million acres) would have been surveyed, of which 34,970 square miles (22.38 million acres) would be in East Pakistan and the rest in West Pakistan.

Colonization and Development

21. Colonization operations including settlement of farmers on new lands, survey and rectangulation of land and construction of mandi towns, will be continued in the Ghulam Mohammad and Guddu Barrage areas of West Pakistan. Heavy earth-moving machinery will be operated by WPADAC to reclaim about 54,000 acres of unlevelled bushy and barren lands for crop cultivation in these project areas.

22. On the basis of a Consultants' survey and investigation of Chittagong Hill Tracts, a Master Plan for overall development of the area has been formulated by the East Pakistan Agricultural Development Corporation which will start implementation during 1969-70 after it has been approved by the competent authorities.

23. Work on the Agricultural Development Estates at Rawalpindi/Islamabad, Dacca and Lahore will be expanded only after their evaluation shows encouraging results and offers bright prospects for expansion.

Agricultural Economics and Statistics

24. Provisions have been made in the development programme for 1968-69 for the improvement in the facilities for the collection and compilation of agricultural statistics in the two provinces, large scale farm management surveys, and cost of production studies for some of the major crops of Pakistan. Preparatory work like frame for designing and selection of sample and pre-test surveys for holding the second agricultural census of Pakistan will be intensified.

Agricultural marketing

25. In East Pakistan during the year, 25 new markets will be brought under the purview of East Pakistan Agricultural Produce Market Regulation Act, 1964, construction of two more licensed warehouses, one each at mandi and at village, will be taken up.

26. In West Pakistan also, efforts will be made to " regulate " as many major markets as possible under the West Pakistan Agricultural Produce Market Act, 1966 ; the Directorate of Agricultural Marketing will be strengthened ; and work pertaining to grading of agricultural produce under ' Pak. Mark ' will be expanded.

27. Compulsory grading of hides, skins and wool will be continued by the Central Marketing Organisation. It is expected that the rules for grading of citrus fruits before export will be finalised and compulsory grading thereof is likely to be introduced during 1969-70.

Agricultural Extension

28. In East Pakistan, the agricultural extension organisation will be suitably strengthened for intensifying extension activities including demonstration of modern technology of agricultural production.

29. In West Pakistan, activities of the agricultural extension service will be strengthened by employing more senior staff at the district (Assistant Directors of agriculture and Tehsil lands, (Extra Assistant Director) to begin within 18 important districts of West Pakistan. More staff at the Union level will be employed on the criteria of number of given cultivation units. A new experiment in extension started in SCARP II area where Field Assistants (Non-Graduates) have been replaced by Agricultural Assistants (Graduates). Results of this experiment will be evaluated to see if this system can be extended to other areas.

Agricultural Research

30. For shifting the Agricultural Research Institute from Tejgaon, Dacca, to its new site at Joydevpur, Physical possession of all the 650 acres of land required for the purpose has already been taken, and building construction programme has been chalked out. Further work on construction and development of other facilities for research will be continued. Research facilities that are being expanded at the Agricultural Research Sub-Stations in the Province will continue during the year 1969-70.

31. Research activities on rice in East Pakistan have already resulted in the evolution of two new rice varieties *viz*. IR-8 and IR-5, which have been found suitable for *boro* and *aman* seasons, respectively. Chinese varieties of rice are also being tried on experimental basis in the province. Further research work in East Pakistan will emphasise the selection of suitable IRRI varieties and the evolution of new high yielding varieties of rice through hybridisation suitable to local climatic and soil conditions.

32. Zonal trials on sugar cane will be continued for developing suitable varieties for cultivation in the Province. Pakistan Central Jute Committee will continue research work for the evolution of new high yielding varieties and for increasing production of jute in the Province. Work on the new uses of jute fibre will also continue during the year under report.

33. In West Pakistan, the three Agricultural Research Institutes located at Tarnab (Peshawar), Lyallpur and Tandojam (Hyderabad) and their sub-stations, will be provided with additional facilities. The research programme will emphasise accelerated research on wheat, maize, rice, millets, potato and cotton. The objective would be to evolve varieties of crops resistant to pests and diseases early in maturity, and also suitable to local taste. In addition to the already recommeded varieties of different crops like Maxi-Pak-69, Mangla-68, Khushal-69 (also called Mehran) of wheat ; IRRI-6 and Basmati 6129 of rice ; and H-42 of maize have been found quite suitable for cultivation and their seed has been multiplied for further propagation.

34. The work on cotton research to evolve varieties of high yield of lint combined with higher staple length and of higher oil content will be continued during 1969-70 under the auspices of the Pakistan Central Cotton Committee and the Provincial Agricultural Departments.

Agricultural Education

35. The programmes for improving the educational facilities at the Agricultural Colleges at Peshawar, Tandojam and Dacca and at the Agricultural Universities at Mymenshingh and Lyallpur will be continued during the year. Facilities at the Agricultural Extension Training Institutes for Training Union Council Agriculture Assistants in East Pakistan will be further improved. Two of these institutes located at Taibat and Sherpur will be up-graded while the institute located at Gouripur (Mymensingh District) will be shifted to Hathazari (Chittagong District).

Soil Conservation

36. Under the schemes of Land Improvement of the Soan Valley and Soil Conservation Operational Project in Potwar Uplands in West Pakistan, the following works would be undertaken during 1969-70 :

(i) New areas to be developed .. .. 15,000 acres.

(ii) Area to be improved through *wat bandi, gully plugging* etc. 35,000 acres.

37. In East Pakistan, besides maintaining the existing two demonstration areas, a third demonstration area will be opened at Betbunia in the Chittagong Hill Tracts district covering about 30 acres.

Foodgrain Storage

38. In East Pakistan, work on construction of silo capacity of about 233,064 tons would be underway during 1969-70, of which 150,000 tons capacity is expected to be completed. House-type godowns with a capacity of 135,000 tons would also be taken up for improvement.

39. In West Pakistan, a storage capacity of about 56,000 tons would be completed during 1969-70 under the on-going schemes while a capacity of about 72,000 tons would be taken up for construction under a new scheme, for which block provision has been made. Further, storage capacity of 150,000 tons is also expected to be completed under the Works Programme.

40. A storage capacity of about 200,000 tons is expected to be completed at Pipri and Landhi under the Centre's programme. Four units (8 plants) of rice cleaning machinery will also be imported for installation at Pipri and Landhi.

ANIMAL HUSBANDRY

Disease Control

41. In East Pakistan, 10 new veterinary dispensaries will be constructed in 1969-70 while 51 dispensaries constructed in 1968-69 will be staffed at Thana Headquarters. Furthermore, 134 new Thana livestock assistants and 411 new vaccinators will be employed for the control of rinderpest and ranikhet diseases. In West Pakistan, medicines will be provided to stock assistants for preventive measures. Some additional stock assistants might be appointed during 1969-70, in addition to the 1,100 stock assistants employed during the First Four Years of the Third Plan.

Animal Breeding

42. Construction of three new artificial insemination centres will be started at district level during 1969-70, thus bringing the total number to 17 in East Pakistan, of which about 9 will be at various stages of construction at the end of the year.

43. In West Pakistan, livestock farms located in the Ghulam Mohammad and Guddu Barrage areas will be provided with additional facilities for raising stud stock of specified breeds.

44. Work on improvement and multiplication of superior sheep breeds will be continued at the farms located at Muzaffargarh and Nabisar Road. Work will also be continued to establish a new sheep farm in Noakhali in East Pakistan.

45. The existing 9 poultry farms operated by the Agricultural Development Corporation, East Pakistan, will be further developed to increase production of quality birds and eggs for distribution to poultry breeders. In West Pakistan, the poultry farms located at Lahore, Peshawar and Quetta will be further expanded and improved during the year.

Education and Research

46. In East Pakistan, pre-service training will be provided to 25 veterinary field assistants, 411 Thana livestock assistants and 411 vaccinators while in-service training will be provided to about 400 officials of various grades. Facilities for research will be expanded at Dairy and Cattle Improvement Farm, Savar. In West Pakistan, construction of buildings at Livestock Production Research Institute, Bahadurnagar, and at Veterinary Research Institute, Lahore, will be continued to provide further facilities for research on livestock breeding and disease control. Over 200 scholarships will be awarded for graduate studies at the Animal Husbandry College, Lahore.

Other Programmes

47. Zoological gardens at Dacca, Lahore and Bahawalpur will be improved. Work on the improvement of Milk Supply Schemes at Karachi and Lahore will also be taken in hand.

FORESTRY

48. It is estimated that during 1969-70 about 25,000 tons of timber will be extracted in the Chittagong Hill Tracts in East Pakistan. Under the schemes for afforestation, about 15,000 acres would be afforested in 1969-70 of which 3,400 acres would be located in East Pakistan and the rest would in West Pakistan. Besidesan areas of 6,800 acres would be regenerated in East Pakistan in addition to new plantation of rubber of over 1,250 acres. Further, about 2,500 acres of irrigated plantation, 4,410 avenue miles of canalside, 1,240 avenue miles of roadside and about 10 avenue miles of railwayside planting would be raised during the year in West Pakistan. Also, about 70,400 acres will be covered in West Pakistan with various watershed management practices. Terraced fruit planting will be undertaken over about 2,000 acres in West Pakistan while 21 miles of truck road and 14 miles of jeep-road will be constructed in Kaghan and Hazara areas. More attention will be paid to sericulture in West Pakistan.

Range Management

49. During 1969-70, systematic range management practices would be taken up over an area of about 200,000 acres.

FISHERIES

50. In East Pakistan 29,000 bighas (about 10,000 acres) of derelict waters and *beel* and *boar* areas will be taken up for fish production while fisheries development activities will be stepped up in water areas already taken up in the previous years. Commercial exploitation of Karnaphuli reservoir will be continued. In West Pakistan fish cultivation will be further expanded in ponds, dams, lakes, reservoirs and abondoned canals, while derelict water areas will be taken up for reclamation and fish production. Supply of quality fry/fingerling in both the provinces will be increased through establishment of increased number of seed farms and nurseries.

51. Wholesale fish markets at Dacca, Khulna and Cox's Bazar will be completed while work on construction of fish harbour at Chittagong will be continued. Construction of another jetty at the Karachi fish harbour will be taken up while feasibility study will be carried out for establishment of another fish harbour at Ibrahim Hyderi (near Karachi).

52. Pre-investment survey of inshore and off-shore waters of Bay of Bengal will be continued during the year. Three exploratory vessels, two for survey of off-shore waters of West Pakistan and one for East Pakistan will remain under construction. The exploration of the Arabian Sea with USSR assistance started during 1968-69 will be continued during the year under discussion.

53. Facilities for marine biological research at Karachi will be expanded ; technological and biological research activities will be intensified and a sub-station for fresh water fisheries research will be established in East Pakistan. Training of fisheries personnel and vocational training of fishermen already continuing in East Pakistan and vocational training of fishermen, launch operators etc. in West Pakistan are included in the development programme for 1969-70.

Cooperatives and Agricultural Credit

54. In East Pakistan, under the scheme for the development of Cooperative Credit and Marketing Structure, about 80 Union Multipurpose Societies and 3 Central Multipurpose Societies will be organised during 1969-70. Each of these societies will be provided with a godown for storing agricultural produce. This will bring total number of re-organised Union and Central Multipurpose Societies to 450 and 13 respectively during the Third Plan period. Ten Fishermen's Cooperatives, and 20 primary sugarcane growers' cooperative will be organised and developed. In addition 15 milk collection centres and 50 milk producer's cooperatives will be organised. Increased allocation is being provided for the scheme for Comilla District Integrated Rural Development Project so that it becomes possible to cover remaining thanas of the district under that programme.

55. In West Pakistan, under the scheme for Reconstruction of Rural Credit and Agricultural Marketing, 125 Primary Societies and 5 Farm Service Centres will be organised during 1969-70. Each of the primary societies will be provided with one godown, and trained Managers/Assistant Managers. This will bring the total number of organised primary societies and farm service centres to 275 and 20 respectively. Cooperative mechanised farming programme in West Pakistan will be extended during 1969-70 to another area of 25,000 acres in Multan Zone and 15,00 acres in Sulemanki and Jassar enclaves. For implementing this programme, 100 tractors for Multan Zone and 4 tractors for Sulemanki and Jassar areas will be purchased from the societies' own resources. In addition 3 field service stations will be installed in Multan Zone and 8 tubewells will be installed in Sulemanki and Jassar enclaves. Under cooperative sheep sheering programme, training of sheep breeders, and sale of wool for members will be arranged.

56. Government will invest Rs. 25 million in the share capital of the Agricultural Development Bank during the year thus bringing the total share contribution by the Government to Rs. 165 million. With this increase in its equity base, the Agricultural Development Bank will be able to avail of IDA loans for purchase of agricultural machinery. The Bank proposes to undertake a loan programme of Rs. 270 million during the year 1969-70. For effective implementation of this programme, the ADB expects to open two Regional Offices, one at Sylhet and the other at Bahawalpur. The Bank also propose to open 12 new branches (5 in East Pakistan and 7 in West Pakistan). Some of the procedure causing delay in loaning operations would be reviewed and improved if so found feasible.

Consolidation of holdings

57. About one million acres of land will be consolidated in the course of the year under the scheme which is under implementation since the beginning of the Second Plan.

Basic Democracies and Local Government Department

58. In East Pakistan, Local Government Institute will continue its programme of imparting training to employees of Local Bodies and Development Departments. Funds have been also provided for establishment of Thana Training and Development Centres.

Financial Allocation for Public Sector Programme in Agriculture—1969-70

(Million Rupees)

Name of the Sub-Sector	East Pakistan	West Pakistan	Centre	Total
Agricultural Development Corporation (Survey and Project areas, etc.).	10.210	—	—	10.210
Manures and Fertilizers	104.070	122 lakhs.	—	231.552
Plant Protection	55.510	25.359	27.221	108.090
Seed Multiplication and Distribution	8.880	3.070	—	11.950
Mechanization	66.680	11.100	—	77.780
Soil Surveys	1.310	2.438	2.100	5.848
Agricultural Economics and Statistics	0.700	0.960	0.941	2.601
Agricultural Marketing	3.000	0.452	0.170	3.622
Agricultural Extension	3.350	3.132	—	6.482
Agricultural Research	4.115	5.960	—	10.075
Agricultural Education	10.010	9.540	—	19.550
Soil Conservation	0.385	8.700	—	9.085
Foodgrain Storage	44.000	30.085	25.225	99.310
Colonization	—	11.945	—	11.945
Animal Husbandry	5.652	9.942	—	15.594
Range Management	—	0.850	—	0.850
Forestry	13.100	16.627	—	29.727
Fisheries	22.980	1.351	21.918	27.249
Land Reforms	0.230	5.500 (5.400)	—	5.730 (5.400)
Cooperatives	7.000	2.851	—	9.851
Cooperative Farming on Comilla basis ..	3.500	—	—	3.500
Contribution to Share Capital Agri. Bank ..	—	—	25.000	25.000
Block provision for unapproved schemes of crop production.	—	1.710	—	1.710
Underdeveloped Areas	—	4.512 (a)	6.552 (b)	11.064
B. D. and local self Government	1.023	—	—	1.023
Pakistan Jute Committee	—	—	2.700	2.700
Miscellaneous	2.500	—	0.045	2.545
Commerce Division	—	—	0.100	0.100
Total ..	368.205	283.566	92.972	744.743

Figures within bracket indicate recoveries

(a) Frontier Region.

(b) Azad Kashmir and Northern Areas.

CHAPTER IX

MANUFACTURING AND MINING

Manufacturing

The Third Plan envisaged the industrial development to make a significant contribution to the economic growth of the country. Although the targets set for the Plan are not expected to be fully met yet the performance of the industrial sector has not been insignificant. During the first three years of the Third Plan, the industrial sector has been growing at a rate of 7 per cent per annum against the growth rate of 58 per cent for the entire economy. The priorities in the Third Plan industrial programme had been accorded to industries which provided input for the agriculture sector, were agro-based and utilised domestic raw materials, and those which helped save foreign exchange through import substitution or earned it by increasing exports. The Third Plan had envisaged a bigger private sector programme than the public sector because the strategy of the Third Plan continued to stress the reliance on the private sector. The public sector investment was mainly meant for such industries which were capital intensive, technically complex, entailed longer gestation period and for which private entrepreneurs were shy to come forward. In order to keep up the buoyancy shown by the private enterprise and also to speed up the tempo of industrial growth, the private sector was provided full opportunity and incentive to associate itself in the development effort.

Private Sector

2. The private sector was expected to have an investment of about Rs. 9,257 million during the Third Plan period out of the total investment of Rs. 12,770 million in the industries sector. With the priorities of the Plan in view, a Comprehensive Industries Investment Schedule was formulated and released on 4th April, 1966 which provided an investment of Rs. 10,880 million for Pakistan Rs. 5,020 million in East Pakistan and Rs. 5,860 to West Pakistan in the ratio of 46 : 54 per cent respectively. This schedule covered 23 major groups of industries further divided into 200 industries. The main strategy was to maximise the utilisation of indigenous raw materials to increase the productivity of existing industries by balancing, modernization/replacement of old and worn out machinery, establishment of heavy industries and ancillary support industries.

3. During the first three years of the Plan, investment approved for private entrepreneurs by all the financial agencies aggregated to Rs. 4,465 million *i.e.* Rs. 1,110 million in East Pakistan and Rs. 3,355 million in West Pakistan. The heavy utilization in West Pakistan was largely attributable to the sanctions accorded to the three fertilizer units and new textile mills amounting to Rs. 1,030 million and Rs. 630 million respectively. The comparatively low level of investment in East Pakistan has been mainly due to the sanctions granted during the Second Five Year Plan irrespective of the balance between the two Provinces, the lack of rupee resources within the province and the late utilization and lapsing of sanctions.

4. However, since 1968-69, steps have been taken to ensure greater share to East Pakistan in terms of sanctions, loans and other facilities. The Comprehensive Industrial Investment Schedule has been replaced by the Priority List of Industries (PLI) which has given priority to the more vital industries or which would also promote either savings or earnings of foreign exchange.

The major priorities of the PLI are given below :

(*i*) Export oriented industries.

(*ii*) Agro-based and service industries.

(*iii*) Import substitution industries.

5. The Priority List of Industries has provided for an investment of Rs. 5,303.8 million during the last two years of the Third Plan period out of which Rs. 2,595.9 million have been provided for East Pakistan and Rs. 2,707.9 million for West Pakistan in the ratio of 49 : 51 per cent respectively. During the first 9

months of the financial year 1968-69, the sanctions under the PLI amounted to Rs. 819.0 million (Rs. 416.7 million in East Pakistan and Rs. 402.3 million in West Pakistan). The details of the sanctions under the PLI are given below :

(In million Rupees)

	East Pakistan	West Pakistan	Total
1. *Large and Medium Industries*			
(*a*) New Capacity	397.2	373.1	770.3
(*b*) BMR	15.2	24. 4	39.6
Sub-total ..	412.4	397.5	809.9
2. *Small Industries*			
(*a*) New Capacity	4.0	4.8	8.8
(*b*) B.M.R.	0.3	—	0.3
Sub-total ..	4.3	4.8	9.1
Total ..	416.7	402.3	819.0

Thus the sanctions issued during the first three years and 9 months of the Third Plan period (under the both CIIS and PLI) will work out to Rs. 5234 million. Besides, sanction amounting to Rs. 460.2 million under 'Pay, As You Earn Scheme' from July, 1965 to March, 1969 have been issued as given below :

	East Pakistan	West Pakistan	Total
(*a*) Sanctions made under CIIS—July 1965 to June, 1968 ..	34.1	332.1	366.2
(*b*) Sanctions under PLI July, 1968—March, 1969	0.2	93.8	94.0
Total ..	34.3	425.9	460.2

6. A major part of the sanctions in East Pakistan has been in the textile manufacture or 66 per cent of the total sanctions made in the large scale manufacturing sector. Other important sectors are food manufacturing, non-metalic mineral products, chemicals, service industries, transport equipment and paper products. In West Pakistan, out of the total sanctions of Rs. 3,154 million, the sanctions for the textile industries have been about Rs. 868 million. Other major sanctions in this Province were for food manufacturing, paper and paper products, chemicals and non-metalic mineral products. The situation after the enactment of the Priority List of Industries has started improving and the sanctions during the year 1968-69 have shown 3 per cent point gain over 1967-68. A welcome result of the PLI has been the increase in the sanctions for East Pakistan which were higher than those for West Pakistan. In the large and medium scale sector, the sanctions were 412.4 million for East Pakistan and 397.5 million in West Pakistan.

Public Sector

7. The public sector development programme in the "manufacturing industries" during the Third Five Year Plan was allocated Rs. 3,513 million. Out of this, Rs. 2,339 million were ear-marked for East Pakistan, Rs. 996 million for West Pakistan and Rs. 208 million to the Central Government Development

Projects. The programme aimed at achieving a growth rate of 10 per cent in the industrial sector as compared with the growth target of 6.5 per cent in GNP. The programme laid stress on the establishment of industries producing machinery and equipment and other capital goods, production of essential consumers' goods and services for domestic consumers, increasing the productivity of existing industries and the provision of extra employment opportunities.

8. The development expenditure during the first three years of the Plan amounted to Rs. 1,324 million. If the revised estimates for 1968-69 assessed at Rs. 832 million are added, the estimated expenditure in this sector during the first four years of the Plan comes to Rs. 2,156 million or 61 per cent of the Plan allocation. If the entire provision of Rs. 503 million for the year 1969-70 is spent, the total estimated expenditure during the Plan period will come to Rs. 2,658 million—about Rs. 1,806 million in East Pakistan, Rs. 678 million in West Pakistan and Rs. 174 million in the Centre. This works out to about 76 per cent of the total Plan Outlay.

9. The industries in which the physical performance is expected to exceed the Plan allocations are sugar, printing and publishing, non-metalic mineral products, machinery other than electric machinery and the schemes for promotion of small industries. The performance in the cotton textile industry, transport equipment manufactures and the scientific and industrial research is also expected to be near the target. The public sector programme for edible oils, petro-chemicals, metal products industries have not been very satisfactory.

10. Among the major programmes for the Third Plan, the white sugar production is expected to rise from 312,000 tons in 1964-65 to 550,000 tons by the end of 1968-69. This will be about 86 per cent of the Plan target. The cotton textile spindles and looms are estimated to rise to 4 million spindles and 70,000 looms from 2.5 thousand million spindles and 37,000 looms in 1964-65. The production of yarn is expected to reach 640 million tons by the end of 1968-69 against the Plan target of 720 million lbs. The production of jute goods at the end of the fourth year of the Plan is expected to be 5,20,000 tons against the Plan target of 9,20,000 tons including broad looms. The production of paper and board is expected to rise to 1,36,000 tons by the end of 1968-69 against the Plan target of 2,00,000 tons. In the field of fertilizers, the total production of Nitrogenous fertilizers is expected to be 1,300,000 tons in terms of ammunium sulphate. The production of phosphatic fertilizers is expected to be 50,000 tons in terms of super phosphates. These production levels are against the Plan target of 2,500,000 tons and 550,000 tons respectively. The progress of other industrial sub-sectors has been mixed and it is expected that the programme for 1969-70 will make an effort to make up the shortfalls in the various industries in terms of physical targets.

11. The most important event of the development programme in this sector during the first four years of the Plan has been the establishment of the steel mill at Chittagong. Although it will not be meeting the entire demand of steel in the country yet Pakistan entered the era of steel production. In order to add to the steel production in Pakistan, Pakistan Steel Mills Corporation has been set up. It will coordinate the efforts towards the manufacturing of steel.

PROGRAMME FOR 1969-70

12. With the background of 7 per cent growth in the industrial sector during first three years of the Plan, the Annual Plan for 1968-69 had proposed a target of 11 per cent increase in the industrial sector implying a growth rate of 14 per cent in large scale industry. It was estimated that the production of industrial raw materials and spares would have to increase by 25 per cent to realize this target. However, the import data available for the first six months indicates an approximate increase of only 5 per cent increase over the industrial raw material imports during the corresponding period last year. Industrial growth rate during 1968-69, was, therefore, only 7 per cent—the same as in the preceding 3 years. In the light of this experience, the following strategy has been adopted for the Annual Plan for 1969-70.

(*i*) During 1969-70 a growth rate of 10% in the manufacturing sector is aimed. Every effort will be made to accelerate the growth rate in large scale manufacturing to about 12 per cent by stepping up the availability of raw materials. A relatively small number of key industries will account for a large part of the increase in industrial production (ii) the production in industrial sector would be accelerated by using the installed industrial capacity to better advantage. This is essential for creating a proper balance between agriculture and industry and for tackling the employment situation.

13. The development programme for 1969-70 has been drawn up in the light of these considerations. The size of the development programme pertaining to Industry and Fuels and Minerals sectors for the fiscal

year 1969-70 is likely to be Rs. 612.091 million. The distribution of these funds between East and West Pakistan and the Centre is indicated below :

(In million Rs.)

	Manufacturing	Mining	Total
East Pakistan	365.07	11.15	376.22
West Pakistan	123.344	2.704	126.048
Centre	35.753	95.390	131.143
Total ..	502.847	109.244	612.091

A brief account of the programme in the Industries and Fuels and Minerals sectors is discussed in the following paragraph :

East Pakistan

14. In East Pakistan a relatively small number of industries account for the bulk of industrial production *e.g.* Jute textiles, nylon, cotton, textile, viscose, rayon, refining, shipyard, matches, paper and board, sugar refining urea fertilizers pharmaceuticals and steel. During 1969-70 emphasis will be laid on their development. They are described below.

Jute Manufacturing

15. It was envisaged in the Third Plan that by 1970, about 25,000 looms will be in full production to produce 8,00,000 tons of jute manufactures (7,68,000 tons in East Pakistan and 82,000 tons in West Pakistan). To achieve this target it was contemplated that 10,000 and 2,000 additional looms would be installed in East and West Pakistan respectively. Out of 10,000 looms to be installed in East Pakistan, 7,250 looms were to be installed by Public Sector (EPIDC in collaboration with Associates) and the remaining looms were earmarked for the Private Sector. In Public Sector, EPIDC has already installed 1,000 looms and another 250 looms will be installed by June 1969, 1,000 looms are under order and another 500 looms are expected to be ordered for expansion of Sonali and Hasan Askari Jute Mills.

16. In West Pakistan, the Crescent Jute Mills with a capacity of 500 looms at Jaranwalla (Lyallpur) originally installed by WPIDC, but later on transferred to a Private Party has now gone into commercial production.

17. According to the latest production statistics collected from the Pakistan Jute Manufacturers' Association, the production of Jute goods which is expected to be 0.50 million tons in 1968-69 valuing Rs. 652.60 million is projected at 0.751 million tons (including 0.088 million tons of broad looms products) during 1969-70 valued at Rs. 910.33 million. In tune with the change in the international demand pattern of conventional jute goods, ratio of hessian and sacking production has been changed from 50 : 50 to 70 : 30 since last quarter of 1968-69 and hence the volume of production will decrease but export earnings will increase. From the Plan target of export earnings of jute goods estimated at Rs. 800 million by 1969-70 and the latest estimated actual earnings are Rs. 879.20 million in 1969-70. Necessary provisions have been made in 1969-70 for this expansion.

Cotton Textiles

18. The Development of Cotton Textile Industry in East Pakistan is mainly in the Private Sector, except the Muslim Cotton Mills of EPIDC. The production of Cotton Textiles estimated at 85 million pounds for 1968-69 is likely to go up to 134 million pounds during 1969-70. Since the private sector is showing reluctance to invest in this industry the Plan target of 234 million pounds is unlikely to be achieved. Provision has been made to meet the requirements of this programme.

Paper and Board

19. Provision of Rs. 33.43 million has been made in the A.D.P. for 1969-70 for the schemes like North Bengal Paper Mills and the Sylhet Pulp and Paper Mills. The production of Paper and Boards projected for East Pakistan during 1969-70 will be of the order 133,000 tons. The North Bengal Paper Mills is expected to go into production by 1970.

Forest Industries including Wood and Cork

20. A provision amounting to Rs. 20.85 million has been made for 1969-70 (including Rs. 12.41 million for "Sylhet Pulp and Paper Project") for the schemes under the administrative control of EPIDC.

Chemical and Fertilizers

21. An allocation amounting to Rs. 130.66 million made for 1969-70 will take care of various chemicals and fertilizers projects such as streptomycine insecticides and pesticides, drugs and pharmaceuticals, sulphate, urea, super phosphates under EPIDC. Triple Super Phosphate I and II at Chittagong and Urea Fertilizer Factory at Ghorasal are expceted to go into commercial production during 1970-71.

Cement

22. A provision of Rs. 28.66 million has been made in the A.D.P. for 1969-70 for the development of Cement industries. The Cement Clinker Factory at Chittagong, together with A.B.C. factory at Sylhet is likely to produce about 4 lakh tons by 1970-71.

Iron and Steel

23. The expansion work of the Steel Mills at Chittagong from existing 1,50,000 to 2,50,000 tons of ingots per year is expected to be completed by the end of 1969-70. A provision of Rs. 10.09 million has been made in the ADP for 1969-70 for this scheme.

Shipyard

24. The Annual Development Programme for 1969-70 provides for continuance of works on 350 Dry Dock, Narayanganj and Chittagong Dry Dock. The foreign exchange component of Chittagong Dry Dock will be met through a Yugoslav Credit.

Engineering Industries

25. Provisions have been made in the development programme for 1969-70 to complete the first phase of the Machine Tool Factory at Joydevpur and the Pakistan Diesel Plant envisaging production of 3,000 diesel engines required for low lift irrigation pumps. The work on the Electrical Wire and cable manufacturing plant, Chittagong, is expected to be completed by 1969-70.

Miscellaneous Industries

26. Provision for the expansion of the Studios of the Film Development Corporation has been made in the A.D.P. for 1969-70. This Corporation is expected to bring about improvements in the production and processing of films in this Province.

Industrial Estates

27. Provisions have been made in the A.D.P. for 1969-70 for creation of Industrial Estates by the Dacca Improvement Trust, Khulna Development Authority and the Chittagong Authority.

Small Industries

28. A provision of Rs. 9.07 million has been made for 1969-70 to enable EPSIC to complete its ongoing schemes and to continue promotional, training and research activities.

West Pakistan

29. The West Pakistan Development Programme for the fiscal year 1969-70 carries an allocation of Rs. 126.048 million (including Rs. 2,704 million for the development of Fuel and Minerals). A brief description of the physical targets fixed for 1969-70 is given below.

Cotton Textile

30. As is well known, the Cotton Textile Industry in West Pakistan is located mostly in the private sector. The production of the existing mills is not only meeting the internal requirements but also a sufficient quantity of the surplus products are being exported. The foreign exchange earned by the export of textiles is not only helping further development of this industry but it is also contributing to the development of other industries. The production of Cotton Textiles in West Pakistan during the fiscal year 1969-70 is envisaged to be of the order of 566 million pounds.

Sugar

31. A large amount of new machinery is being installed in this industry to increase its capacity. The implementation of the scheme of the Bannu Sugar Mills with an annual production capacity of 15,000 tons was undertaken by WPIDC. In the private sector, one new sugar mill was accorded sanction in Chistian, besides the sanction of other projects for expansion, balancing and modernisation in the private sector. Further, sanctions have been granted to three mills, one each at Shahdadpur, Tando Mohammad Khan and Bahawalpur with a total annual production capacity of 47,000 tons. Two mills— one at Gujrat and the other at Jhang with 7,80,000 mds. of sugarcane crushing capacity have been sanction in the private sector. A provision amounting to Rs. 2 million during 1969-70 has been made for the two schemes in the public sector to be located at D. G. Khan and Sadiqabad. With these developments, a production target of 4,50,000 tons of White Sugar is likely to be achieved during the year 1969-70 as against the Third Plan target of 4,10,000 tons.

Printing Press

32. Work on shifting of jail press to a new site at Kot Lakhpat, establishment of new Printing Press at Sargodha, construction of a double storied building for the Government Press, Peshawar, as well as construction of bungalow for Manager (Works) will continue. The financial allocations made for these programmes for the year 1969-70 are Rs. 0.755 million.

Low Temperature Carbonisation Plant, Quetta

33. The scheme aims at processing the coal fines from Sor Range and Degari into coke briquettes suitable for industrial consumption. The plant envisages production of 125.5 tons coke briquettes daily. This will help relieve dependence on imported coal and also result in foreign exchange savings.

Chemical and Fertilizers

34. A provision of Rs. 3.10 million has been made for the year 1969-70 for the development of fertilizers and chemical industries. The schemes for which the amount is proposed to be utilized are Phosphatic pesticides, sulphuric acid and cement from gypsum, fertilizers and polyacrylonitrite fibre (RED Project). The production of nitrogenous fertilizers envisaged for the year 1969-70 in terms of ammonium sulphate is, 8,70,000 tons, that of phosphatic fertilizers (in terms of triple superphosphate) 36,000 tons ; Soda Ash, 70,000 tons ; Caustic Soda 35,000 tons , Sulphuric Acid 38 lakh tons, and Petrochemicals 5,000 tons. After the completion of the ESSO Urea Plant and TSP Plant at Karachi in the private sector and other new schemes likely to be undertaken soon, a substantial increase in the production of various types of fertilizers in West Pakistan is foreseen.

Non-Metallic Mineral Products

35. The provision of Rs. 41.388 million made for 1969-70 will mainly be utilized for modernisation and expansion of cement Factories at Rohri and Wah. The addition of 5th and 6th kilns to Zeal Pak. Cement Factory at Hyderabad will result in a yearly production of 1.08 million tons. It is envisaged that the production of cement in West Pakistan during 1969-70 will be about 3.2 million tons.

Steel Mills

36. The Steel Mills Projects have been transferred to the Steel Mills Corporation of Pakistan under the Central Ministry of Industries who are doing the needful in the matter.

Heavy Engineering Complex

37. The complex being set up in collaboration with China, has also taken shape and would be in a position to start trial production by the middle of 1969-70 and the factory would go into partial production

within a year. The major items in the production programme include sugar mill machinery, cement, plants, boilers, double girders, overhead travelling cranes, standard for railway wagons and carriages, coupling hooks, road rollers, working port and bulldozers, scraper units and showels etc. of the order of about 14,500 tons per annum. It will create employment for about 2,6000 persons including 2,100 technicians. Training arrangements for the technicians have been made in the factory. For 1969-70, an amount of Rs. 31.147 million has been provided for implementation of the scheme.

Pakistan Machine Tool Factory, Karachi

38. The project went into trial production in November, 1968. This project envisages to produce small medium size machine tools, gear boxes, axles etc. and is treated as an RCD Project. The financial allocation made for the year 1969-70 for the execution of the scheme stands at about Rs. 16.00 million.

Heavy Electrical Complex, Taxila

39. This scheme is being financed with Soviet assistance and built with their technical knowledge. WPIDC experts visited the Soviet Union in September last and signed an agreement for the preparation of a detailed report on which Soviet experts are now working; they are expected to complete it by March, 1969. The Project envisages production of high voltage insulators and power generators etc. The provision made for the fiscal year 1969-70 for the scheme is of the order of Rs. 1.500 million.

Heavy Foundry and Forge

40. The project which is a necessary adjunct to the heavy mechanical complex and would cater to its needs as well as those of outside agencies will produce both ferrous and non-ferrous metals and undertake heavy forging to big sizes to the tune of about 47,000 tons annually.

Karachi Shipyard and Engineering Works

41. The performance of the Karachi Shipyard and Engineering Works is likely to show an appreciable improvement during the fiscal year 1969-70 because of better utilization of capacity particularly in ship building and steel foundry. The shipyard which in an expanding phase, is rendering useful services. The work on the phase II—part I of the Karachi Shipyard is progressing satisfactorily. The foreign exchange component of the expansion work is being met through French/Italian/German credits. The KSE Works Ltd., delivered its first ocean going Vessel " Al-Abbas " of 13,000 DWT during the year 1967-68. The vessel is giving satisfactory performance. A second ocean-going cargo ship of 12,645 DWT which was under construction for National Shipping Corporation was launched on 19th December, 1969. In spite of the above facts, a flow of orders for new ship building needs to be improved to reduce the idle capacity in the shipyard, and right position of foreign exchange for import requirements be released. The scheme for manufacture of 300 tons of SG Cast iron at Karachi Shipyard is expected to be completed by 1969-70. A provision of Rs. 9.132 million has been made for this scheme in the Annual Development Programme for 1969-70.

High Pressure Steel Pipe

42. The project which aims at the production of 24,000 tons of Steel Pipe is under implementation by WPIDC in collaboration with a private party.

Small Industries

43. The schemes being implemented by the West Pakistan Small Industries Corporation are generally of promotional, research and training nature. The capital investment envisaged to be made for the implementation of various schemes during the financial year 1969-70 is of the order of Rs. 12.740 million. The provision will take care of the on-going schemes as well as launching upon a few new schemes.

Central Government Programmes

44. The Government financed development programme of the Third Five Year Plan includes a provision of Rs. 208 million for promotional and Training and Industrial Research Schemes. The investment made during the first four years (1965-66/1968-69) of the Plan on implementation of these schemes works out to Rs. 138.54 million. The amount provided for 1969-70 is Rs. 35.214 million. Thus the total expenditure for five years will come to Rs. 173.754 million. The percentage of implementation on this basis works out to about 85 per cent.

45. A brief description of the development activities for 1969-70 is indicated as under :

Printing Presses

46. The printing Presses which were previously under the administrative control of the Industries Division, have been transferred to the Printing Corporation with effect from 1st January, 1969 under the administrative control of the Education Division. A sum of Rs. 1.00 million has been provided for 1969-70 which will mainly be utilized for the staff quarters for the employees of the Press at Islamabad.

The Investment Advisory Centre of Pakistan

47. A provision of Rs. 1.80 million has been made for the Centre which will be spent on the continuance of the activities of the Centre during 1969-70.

Pakistan Industrial and Technical Advisory Centre

48. The provision of Rs. 1.60 million during 1969-70 will be utilized for the development activities of the organization in East Pakistan. No provision has been asked for by the agency concerned for continuance of works in West Pakistan.

Swedish Pakistani Institutes of Technology

49. With a view to provide facilities for the continuance of the activities of the Institutes at Kaptai and Gujrat, a sum of Rs. 4.90 million has been provided for 1969-70.

Jute and Textile Centres

50. The financial allocation made for 1969-70 for these Centres stands at Rs. 1.427 million.

Azad Kashmir and Northern Areas Schemes

51. Due consideration has been given to the industries and fuels and minerals schemes, the industries schemes being mostly of promotional and training nature, in Azad Kashmir and Northern Areas. With a view to continue the development activities in the two areas a financial allocation of Rs. 8.787 million has been made for 1969-70.

Pakistan Council of Scientific and Industrial Research

52. There are in all seven schemes of the PCSIR, which are proposed to be continued during 1969-70, such as, (*i*) Natural Drugs Research and Development Institute, Chittagong, (*ii*) North East Regional Labs., Rajshahi, (*iii*) Pak-Swiss Precision Mechanics and Instrumentation Training, Centre, Karachi (Phase 11), (*iv*) Precision Mechanics and Instrumentation Training Centre, Dacca, (*v*) Development of Leather Research Division, E. R. Labs., Dacca, (*vi*) Establishment of first Protain Pilot Plants in East and West Pakistan. In order to facilitate completion of these projects, a sum of Rs. 5.70 million has been provided during 1969-70.

Pakistan Steel Mills Corporation

53. The Steel Mills proposed to be located at Karachi and Kalabagh will be under the Administrative Control of the Pakistan Steel Mills Corporation Ltd. To undertake initial work in connection with the implementation of these projects, a financial allocation of Rs. 5.00 million has been made for the fiscal year 1969-70.

U.N. Assisted Project for Pre-Investment studies on Fertilizer and Petrochemicals

54. The fiscal year 1969-70 is the year of the project. With a view to fulfil its contractual obligations and other important works involved in it, the amount provided for the scheme during 1969-70 stands at Rs. 4.0 million.

Mining

55. The Mining development programme in the Government financed Sector was Rs. 592 million for the Third Plan. Out of this allocation, Rs. 75 million were earmarked for the projects located in East Pakistan, Rs. 60 million in West Pakistan and the bulk allocation of Rs. 457 million for the Centre. The performance of the first four years (1965-66/1968-69) of the Plan shows that an investment of Rs. 466.70 million has been made in this sub-sector.

The provision made for 1969-70 is of the order of Rs. 109.244 million. The total estimated investment for five years will be to the extent of Rs. 575.94 million about 97 per cent of the Plan target. A description of projects in various sub-sectors is given below.

EAST PAKISTAN

56. The major Government financed projects in East Pakistan pertaining to fuels and minerals are (*i*) Thakerghat Lime Stone and (*ii*) Jaipurhat Lime Stone and Jamalganj Coal. With a view to provide facilities for continuance of these schemes, financial alloction of Rs. 11.15 million has been made for 1969 70.

WEST PAKISTAN

Coal

57. With a view to accelerating the pace of activities in the Fuels and Minerals sectors, a provision of Rs. 2.704 million has been made in the ADP for 1969-70. The allocation will take care of development of minerals (Copper Bauxites and China Clay), Solution of mining rock-salt, and other schemes under the administrative control of the Mineral Directorate of West Pakistan. It is envisaged that a production target of about 2.0 million tons of coal will be achieved during 1969-70.

CENTRE

58. The Third Plan provides a sum of Rs. 457 million in the Government financed sector to finance prospecting, investigation and exploitation of minerals. During the first four years of the Third Plan, a capital investment of Rs. 396.69 million has been made. The provision for 1969-70 is Rs. 95.39 million which will bring the total estimated expenditure for five years of the Plan to about Rs. 492.08 million thereby exceeding the Third Plan provision by Rs. 35.08.

Geological Survey of Pakistan

59. To continue the Geological Surveys and geological research, a sum of Rs. 9.50 million has been provided for 1969-70. A description of the programme for 1969-70 is given below :

60. In East Pakistan, the Survey and Investigation work on the development of Coal deposits will continue during 1969-70. The geological and geo-physical investigations supplemented by extensive drilling will also be carried out in Jaipurhat, Jamalganj Paharpur region of Bogra/Rajshahi Districts. Topographical and geological mapping for coal, mine stone and other minerals will also continue in Thakurghat area. Drilling will also continue to ascertain the existence, confirmation and general mining condition of lime stone, coal and other minerals.

61. In West Pakistan, the field work in different areas will continue. An interim report on geology and coal resources for the appraisal of Lakhra coal field was issued and the work on the final report will be undertaken. This coal field has been proved to be the largest in West Pakistan. Drilling investigation will continue to ascertain the structure of coal bearing bores in the Makerwal coal field.

62. The geological details including sub-surface condition of the coal seams in the Sore Nange Desari Coal filed have been completed on a 1 : 12,000 map and the detailed report is expected to be finalised soon.

63. Besides, there will also be the survey and investigation work of mineral deposits such as glasses, Iron, Chin Clay, limestones, chromite etc. in the respective areas of East and West Pakistan.

Oil and Gas Prospecting

64. With a view to provide incentives to the Private Companies in carrying out extensive geological and geophysical surveys in their respective areas and to undertake drilling of wells both in East and West Pakistan, the government's contribution for the fiscal year 1969-70, including government's share for participation in Saudi Arabian Project, will be of the order of Rs. 11.69 million.

Development of Oil and Gas Resources

65. The project is being implemented through Russian aid. Its objective is to find oil and gas in the country and also to impart training in this specialised field. Geological, seismic, gravity and aeromagnetic surveys and deep drilling in both the Wings of the country will be continued during 1969-70. The development programme, for which a provision of Rs. 65.00 million has been made for 1969-70 will comprise deep drilling of gas and oil fields, construction, Rig-up, testing and production, Rig-down etc. in the areas like Tut 1, Kot Sarang I, Nural 2, Kand 3, Karang 1, Sarang 2, Jaldi 3, Barisal/Tangail and Rodho, located in both Wings of the country.

66. The Geological, Seismic and Gravity Surveys for exploration of Oil have been completed at Sylhet, Tangail, Sunderban (East Pakistan) and Nasarpir, Tamman, Pachnand, Taj Mohammad and D. I. Khan (West Pakistan). Production testing of Kotsarang (West Pakistan) and Jaldi well No. 2 (East Pakistan) has also been completed recently.

67. Such operations are also in progress at Karachi, through Western Salt Range, Mol Nadi, Shahdapur, Hundi, Bolan Pass adjoining areas of Tut structure, Eastern side of the River Indus (West Pakistan), Daud-Kandi and Khulna (East Pakistan).

68. The Oil and Gas Development Corporation discovered gas at Jaldi in East Pakistan, at Sari (near Karachi) in West Pakistan and Oil at Tut in Cambellpur district which is yielding about 800 barrels of crude oil per day. Pakistan Oil Fields Ltd. have also reported the discovery of oil in Malayal Test Well No. 1 area in October, 1968.

69. Pakistan Shell Oil Company completed the re-work over Titas Well No. 1 and 2 and started production from Titas Field during April, 1968 to supply gas to Siddirganj Power Station. Production of gas from Habiganj field was also started during July, 1968 to supply gas to Sajibazar Power Station. Discovery of gas at Shakarabad in 1969 was also reported.

70. During 1969-70, a production target of about 200 million imperial gallons of petroleum (crude oil) is planned to be achieved. As regards natural gas, the production is expected to be about 130 thousand million cubic feet in 1969-70.

Gas Transmission and Distribution

71. Financial allocation of Rs. 6.00 million has been made for the continuation of the development activities in respect of Gas Transmission and distribution schemes during 1969-70.

72. Sui Gas Transmission Company installed five compressors during the Third Plan raising the maximum output potential of the Sui-Karachi pipeline from 85 to 140 million cu. ft/day.

73. The completion of the fifth Bank in the purification plant at Sui Gas field raised the total purification capacity of the plant to 300 million cu. ft./day without any standby or 240 million c u. ft./day with one bank as standby. The duplication of the Sui-Karachi line so as to meet the increasing demand for gas in that region is also under active consideration.

74. Sui Northern Gas Pipeline Ltd. installed seven compressor units to increase the system capacity Distribution lines were laid and supply of gas commenced in Multan, Rahimyar Khan, Lyallpur, Lahore and Islamabad. The second expansion of SNGP will increase its system capacity from 172 million cu. ft. to 230 million cu. ft./day by mid-1971, so as to meet the requirements of the one fertilizer plant and the normal industrial growth up to 1971. The foreign exchange cost of the project is to be met from loan by the World Bank.

75. Titas Gas Transmission and Distribution Company Ltd. completed 50 miles line and supply commissioned in April, 1968. The construction of distribution net work in Dacca is in progress. It is expected that the consumers in Dacca-Narayanganj will be supplied with the Gas during the next year.

Training and Research

76. The Programme of Training and Research in this sector consists of (*i*) Pakistan College of Minerals Technology, (*ii*) Mining Training Institutes at Jamalganj and Quetta, (*iii*) POL testing laboratories and Inspection Cell and (*iv*) Pakistan Institute of Petroleum. The provision made for continuance of the activities of these schemes during 1969-70 is of the order of Rs. 3.20 million. The schemes of College of Mineral Technology originally approved at a cost of Rs. 10.40 million in 1962 is being revised and is now estimated to cost Rs. 16.90 million. On the basis of the original sanction, about 70% construction work has been completed at a cost of Rs. 9.70 million up to June, 1968. The college will start classes from September, 1969. The Training Institutes at Jamalganj and Quetta are also expected to be put on the ground in near future.

FINANCIAL TARGETS AND ACHIEVEMENTS IN PUBLIC SECTOR OF 'MANUFACTURING' DURING THIRD PLAN

(Million Rupees)

S. No.	Sub-Sector/Item	Estimated expenditure during 3rd Plan				Provision for 1969-70	Total 1965—70	3rd Plan allocation	% Achievement	Remarks
		1965-66	1966-67	1967-68 R.E.	1968-69 R.E.					
1.	Food Manufacture :									
	(*a*) Sugar	54.71	53.902	36.13	12.55	10.480	167.770	162.64	103.1	
	(*b*) Edible Oils ..	—	—	1.36	—	—	1.36	4.86	28.0	
2.	Manufacture of Textiles :									
	(*a*) Cotton	5.05	—	1.85	—	—	6.90	7.15	92.0	
	(*b*) Jute Textiles ..	10.85	18.03	9.62	15.09	34.790	88.380	116.95	75.5	
3.	Wood and Cork ..	1.58	7.34	6.60	14.89	23.440	52.85	72.09	73.3	
4.	Paper and Paper Products	12.13	19.55	41.18	60.63	33.430	167.550	227.86	75.2	
5.	Printing and Publishing.	2.51	5.23	5.26	2.09	1.755	16.485	14.59	112.7	
6.	Chemicals and Fertilizers	16.45	38.22	109.03	181.51	133.760	468.970	813.84	57.7	
7.	Products of Tetro, Coal and Gas	—	—	7.50	10.00	—	17.50	39.40	44.4	
8.	Petrochemicals ..	—	—	0.01	0.50	—	0.51	200.00	0.3	
9.	Non-metallic minerals products (Cement, refractories)	47.86	14.88	25.24	75.68	69.998	233.658	150.02	155.7	
10.	Basic Metal products..	90.11	81.98	56.69	45.36	15.090	289.23	351.50	82.2	
11.	Metal Products Industries	—	—	—	—	2.500	2.50	54.87	4.1	
12.	Machinery except Electricals	14.94	45.08	96.42	209.99	86.497	452.927	371.29	121.9	
13.	Electrical Machinery appliances	0.21	6.00	20.26	32.26	7.080	65.81	198.00	33.2	
14.	Transport Equipments..	7.89	8.87	24.55	36.88	23.252	101.422	121.87	91.4	
15.	Miscellaneous Industries	2.71	3.72	3.61	7.09	11.360	28.490	63.84	44.6	
16.	Industrial Estate ..	7.16	9.25	10.22	9.46	7.230	43.320	137.50	32.2	
17.	Small Industries promotional schemes ..	72.81	68.13	82.67	111.45	40.044	375.204	289.37	129.7	
18.	Scientific and Industrial Research	17.84	18.47	21.47	6.28	10.972	75.032	94.50	97.3	
	Total ..	364.91	398.65	560.30	831.70	511.678	2,666.238	3,513.35	75.5	
	Less ..	—	—	—	—	8.831	8.831			
						502.847	2,657.407			

FINANCIAL TARGETS AND ACHIEVEMENTS IN PUBLIC SECTOR OF ' MINING ' DURING THIRD PLAN

(Million Rupees)

No.	Sub-Sector/Item	Estimated expenditure during 3rd Plan					Total 1965—70	Third Plan Allocation	Achievements	Remarks
		1965-66	1966-67	1967-68 R. E.	1968-69 R. E.	Provision for 1969-70				
1.	Geological Survey Activities	5.20	6.65	11.20	10.00	9.50	42.55	70.50	60.3	
2.	Development of Oil and Gas (Russian Aided) ..	35.55	54.62	56.59	71.51	65.00	283.27	250.00	113.3	
3.	Oil and Gas prospecting (Private Companies)	14.10	12.40	14.74	30.80	11.69	83.73	36.00	232.5	
4.	Gas Transmission and Distribution	15.24	14.90	14.90	15.48	6.00	66.52	80.00	83.1	
5.	Coal and Peat Development	13.16	13.68	22.61	0.50	10.150	60.10	96.12	62.5	
6.	Training and Research	1.85	3.32	3.31	4.33	3.20	16.10	24.50	61.2	
7.	Selected Minerals and other projects ..	1.03	3.57	6.97	8.49	1.204	21.264	34.88	60.9	
	Total ..	86.13	109.14	130.32	141.11	106.744	573.444	592.00	96.8	
						(+)2.500*	(+)5.500			
						109.244*	575.944			

*The details of allocation against individual schemes approved by NEC on 7th May, 1969 are not yet available.

CHAPTER X

WATER AND POWER

Water Development

The possibilities and problems relating to water resources development vary in the two provinces ; East Pakistan, a flat deltaic plain over-laid by a network of some of the world's largest rivers, has too much water on the surface during the monsoon months or too little water during the dry season. In West Pakistan, which is largely arid to semi-arid, the major problems are insufficient water in the canals resulting in under-irrigation, poor natural drainage causing problems of water-logging and salinity, and wind erosion, mostly in the lower Indus Plains and sheet erosion in the sub-mountain region and Potwar uplands.

2. With such divergent problems and the needs of the two Provinces, the policy and the strategy adopted in the Third Plan for the development of water resources in the two regions are quite different from each other. The general objective in both the cases is, however, effective use of water to maximise agricultural production in the shortest possible time.

3. The Third Five Year Plan assigned a very high priority to the development of water resources due to the contribution of water to the effort in agriculture. About 14 per cent of the total public resources amounting to Rs. 4,199 million were earmarked for the Water Development Projects. the Plan aimed at :

(*i*) maximising the development of sweet groundwater through an integrated public and private sector tubewell programme,

(*ii*) reconditioning canals to allow a greater proportion of the river flow to be utilised, and

(*iii*) co-ordinating the efforts to provide an adequate technical and economic base for the surface water and saline groundwater development in West Pakistan ;

(*iv*) carrying out programmes of Flood Control and drainage in the summer and irrigation during the winter.

(*v*) Providing the basic water facilities in various regions in East Pakistan, under the central programmes.

4. During the first four years of the Plan, an amount of Rs. 1943 is expected to be spent against the Plan allocation of Rs. 4199 million or 46.3 per cent of the allocation. If the 1969-70 programme is fully accomplished this percentage will come to 60.4. The shortfall in this sector is due mainly to the initial setback in the first two years of the Plan. The development activity, however, stepped up in the later years of the Plan resulted in impressive gains in certain sub-sectors.

5. In West Pakistan, an amount of Rs. 1,115.94 million is estimated to have been spent during 1965–69, showing an accomplishment of about 51% of the total Plan allocation of Rs. 2,181 million. Among the major public sector programmes in West Pakistan, the tubewell programme under Salinity Control and Reclamation Projects (SCARPS) have suffered very heavily during 1965-66 and 1966-67. Although the programme progressed rapidly in the succeeding 2 years yet by the end of 1968-69 only 4,211 tubewells are expected to be completed and 3,151 tubewells would come into operation against the revised Plan targets of 9,018 and 7,855 respectively.

Under the surface drainage programme, over 820 miles of open drains have been excavated under the Kotri Surface Drainage Project and other miscellaneous projects located in Indus plains. Another programme assigned a high priority in the Plan was the public sector smaller tubewells to be installed by the Department of Irrigation mainly in the barani areas. The progress of this programme remained very slow and only about 450 tubewells could be installed against the Plan target of 2,000 tubewells. The major accomplishments in West Pakistan in the Water Sector during the first four years of the Third Plan are estimated as follows :

(*i*) New area brought under irrigation	2.1 million acres.
(*ii*) Old area improved	8.7 million acres.
SCARP Programme :	
(*i*) Number of tubewells completed	4,211
(*ii*) Number of tubewells electrified	3,151

Private Tubewells :

(*i*) Number of tubewells in the private sector completed during 1965—69 ..	32,000
(*ii*) Number of tubewells completed in 1968-69	(8,000)
(*iii*) To be completed in 1969-70	10,000
(*iv*) Estimated total for five years	42,000

This number is against the Plan target of 40,000 tubewells in the private sector.

6. In East Pakistan, an amount of Rs. 801.41 million or about 41 per cent of the total Plan allocation of Rs. 1,960 million is estimated to have been spent during the first 4 years of the Third Plan. The major project completed during this period are given below :

(*i*) Ground-water Development and Pump Irrigation Project in the Northern districts of East Pakistan ;

(*ii*) Brahamaputra Flood Embankment Project ;

(*iii*) Dacca-Narayanganj-Demra Irrigation Project ;

(*iv*) Comprehensive Drainage Scheme for Faridpur District ;

(*v*) Prevention of Flood in Feni Sub-Division in the district of Noakhali ;

(*vi*) Improvement of Gazaria-Ichamati River in the District of Bogra ;

(*vii*) Improvement of Old Dakatia and Little Feni River in Noakhali and Comilla Districts and

(*viii*) Dredging the Gumti River in the district of Comilla.

As a result of completion of these schemes and progress on other schemes an area of about 0.18 million acres of new land has been brought under irrigation, and about 2.20 million acres have been improved through the development of irrigation, flood control and drainage facilities. Compared with the Plan targets this achievement is nearly 47 and 80 per cent respectively. Out of the total embankment length of 3,380 miles anticipated to be completed during the Plan period, about 1,900 miles (56 per cent) have been completed to protect about 1.96 million acres of land from tidal inundation.

7. Under the Central Programme, out of a total allocation of Rs. 57.97 million, the total expenditure during the 4 years is expected to be Rs. 25.88 million or 45 per cent of the allocation. The major programmes completed during this period included schemes under the Meteorological Department, Survey of Pakistan, Irrigation Drainage and Flood Control Research Council and Kashmir Affairs Division. The achievements under the various Central Programmes were 49 per cent in the Meteorological Department, 35 per cent under the Survey of Pakistan, and 31 per cent in the Kashmir Affairs Division.

DEVELOPMENT PROGRAMME FOR 1969-70

8. The Annual Development Programme for the Water Projects for 1969-70 amounts to about Rs. 583.8 million in the two Provinces, and Rs. 107.316 for both the Water and Power Programmes in the Centre. Most of this allocation is for the on-going projects related with tubewells, drainage and reclamation, coastal embankments and further work on Ganges Kobadak Project and Tippera-Chittagong Multipurpose Project. A distribution of the programmes by the executing agencies is given below.

East Pakistan

9. The Water Sector in this Province has been allocated a sum of Rs. 290.00 million for the Development Programme for 1969-70 which is about 13 per cent of the total development programme for East Pakistan. The major emphasis during the year will be on the early completion of on-going projects like the Ganges Kobadak Project (Kushtia Unit) under which an area of 50,000 acres is likely to be brought under irrigation in addition to 90,000 acres of land already commissioned. The Coastal Embankment Project is planned to construct additional 275 miles of embankment. In addition, work on the Tippera-Chittagong Multipurpose Project (Chandpur Unit) will start again which had been suspended to allow a review of the project by a new team of consultants to be appointed by the World Bank.

10. At the present rate of progress, it seems un-likely that the Plan targets in this Province would be achieved in full. It is, however, anticipated that the short fall in financial terms would not exceed 44 per cent. The development programme for 1969-70 which is the last year of the Third Plan has been designed to off-set the expected short fall at least in physical terms by undertaking schemes with short gestation period. An important aspect of the Water Sector in this Province is the recovery of some cost of the water projects from the people benefitting from them. From July 1969, the old Irrigation Department is being revived in this Province which will take over the completed projects covering a liability of Rs. 80 to Rs.90 million per annum and to that extent the East Pakistan WAPDA will be relieved of the burden. The new department may take up the question of the recovery of water rates.

West Pakistan

11. The programme proposed for 1969-70 for this Province amounts to about Rs. 293.81 million. Out of this about 52 per cent has been allocated to tubewells, drainage and reclamation programme ; about 23 per cent to the surface irrigation programme ; and the balance is distributed on schemes in other sub-sectors. Out of this only about 8 per cent of the total is ear-marked for the new schemes ; the rest will be incurred on on-going projects. This is in accordance with the general strategy of the Annual Plan for 1969-70 and the food self-sufficiency programme that greater emphasis should be laid on quick maturing schemes which promise to produce results before the end of the Plan period.

12. The major programmes proposed for 1969-70 will bring 0.62 million acres of new area under cultivation thus raising the total during the Third Plan to 2.72 million acres. About 2.1 million acres of cultivable areas will be improved raising the total area improved during the Third Plan period to 10.8 million acres. Under the Salinity Control and Reclamation Projects (SCARPs) 1,126 deep tubewells are planned to be installed which will bring the total tubewells installed during the Third Plan period to 5,337 of which only 4,649 would come into operation. The programme under the SCARPs in this Annual Plan is virtually negligible as compared to the Action Programme recommended by the World Bank consultants. But in the light of the scarcity of resources, the programme had to be confined to a moderate level. The SCARP Programmes will have to be given greater attention if the progress towards control of waterlogging and salinity has to be achieved and additional irrigation water made available to increase cropping intensities. The gap between the supply and demand of water has, however, been narrowed down to a certain extent by the rapid development of private tubewells.

13. The allocations for re-conditioning of open canals have also remained insufficient. In the coming years, the provision for this programme should be given a high priority, more so because at the time of the commissioning of Tarbela, the anciliary canal facilities will be required to receive the additional water. Irrigation Departments Tubewells Programme is also being held up. Important Irrigation projects like the Khanpur Dam and the Karachi Irrigation Project also need attention if the cultivated land area has to be increased. These points have been mentioned because they are going to have serious repercussions on the development of water resources in the country.

Central Programme

14. The Third Five-Year Plan provided a sum of Rs. 57.97 million for the schemes sponsored by the various Central Government Agencies. The schemes included in this Sector except those sponsored by the Kashmir Affairs Division generally aim at providing basic services. The expenditure during the first four years of the Plan on the Central Programmes amounts to Rs. 25.88 million or 45 per cent of the allocations for the Third Plan. The programmes for 1969-70 essentially aim at the completion of as many on-going projects as possible ; the provision for the year being Rs. 9.74 million. A brief description of the Central Programme is given below.

Meteorological Department (Defence Division)

15. The Meteorological Department was allocated a sum of Rs. 25 million in the Third Plan against which Rs. 12.22 million are estimated to have been spent during the first four years of the Plan. The major works undertaken during this period are the establishment of the storm warning and wind-finding radars at five places in the country, improvement in the existing upper wind observatories and the establishment of new first class observatories.

16. The ADP for 1969-70 provides a programme of Rs. 6.00 million for improving and streamlining the collection and analysis of climatological data, installation of Storm Warning Radar stations at Khepupara and Cox's Bazar, Regional Storm Warning Centre at Dacca and Wind Finding Radar stations

at Sargodha, Nokkundi and Jacobabad. The existing upper wind observatories at Sahiwal, Kalat and Jessore will also be improved and new equipment will be installed. Efforts will be made to complete these projects by the end of the Third Plan where possible.

Survey of Pakistan (Agriculture Division)

17. Against the Plan allocation of Rs. 8 million, the Survey of Pakistan will be able to utilize only Rs. 2.758 million till the end of June, 1969. A sum of Rs. 1.23 million is provided in the ADP for 1969-70. Out of the two major schemes sponsored by the Department, the Development of Survey Resources for National Projects is making good progress. The allocation for 1969-70 will mainly be used for the installation of equipment for the various ongoing schemes including the length Standardisation laboratory, forest surveys and the letter Press Office.

Irrigation, Drainage and Flood Control Research Council (Natural Resources Division)

18. The Irrigation, Drainage and Flood Control Research Council was set up in 1965 to organize, co-ordinate and promote research in the various fields of hydraulics, flood-control, irrigation, reclamation and tubewells. No specific provision was made in the Third Plan for the Council because the Plan had already been finalized before the Council was constituted.

19. An amount of Rs. 0.66 million is estimated to have been spent by the Council during the period 1965—69. The ADP for 1969-70 provides Rs. 0.50 million for carrying out various research schemes and setting up a Research Cell for waterlogging and salinity.

Kashmir Affairs Division

20. This Division was allocated Rs. 20 million in the Third Plan. Of this amount Rs. 6.17 million are estimated to have been spent by the end of June, 1969 on small hydel schemes, village electrification, boring of tubewells, Gilgit Hydel Scheme, Bong Bong and Ghari Maidan channels and the Skardu Hydel project. The ADP for 1969-70 provides Rs. 1.712 million—Rs. 0.176 million for Azad Kashmir and Rs. 1.536 million for the Northern Areas. The Programmes includes among other schemes, the installation of tubewells in Azad Kashmir for supply of drinking water and the extension of electricity to villages located on Mangla Reservoir periphery. The completion of these works will fulfil the Third Plan targets to the extent of 40 per cent.

POWER DEVELOPMENT

East Pakistan

21. Broadly speaking the power programme of the Third Plan comprises of schemes for generation, transmission, distribution and miscellaneous works. The important projects in the Plan included the construction of Thermal Power Stations at Ashuganj, Ghorasal, Chittagong, Khulna, Siddhirganj and the commissioning of Karnafuli Third Unit. Provision was also made for 104 MW Gas Turbine Station at Shahjibazar under the Crash Programme, and of four gas turbine units with total capacity of 37 MW (of which two are installed at the steel mill site at Chittagong and other two at Goalpara) under the scheme Power Generation to Meet Emergency. The major transmission projects in the Third Plan Programme were second circuit additions to Siddhirganj-Ashuganj-Sylhet 132 KV line and to Goalpara-Bheramara-Ishurdi 132 KV line, East-West Inter-connector, Sirajganj-Jamalpur 132 KV transmission line, Ashuganj-Mymensingh-Jamalpur 132 KV transmission line and Goalpara-Mongla-Barisal 132 KV line. Provision was also made for the programme of Secondary Transmission and Distribution, Isolated Power Generation, and Acquisition and/or Improvement and Supply of Power to Small Undertakings in order to make electricity available to consumers in districts, sub-divisions and small towns and rural areas.

22. Of the total allocation of Rs. 155 crores for the Power programme of East Pakistan during the Third Plan period, expenditure during the first three years is estimated at Rs. 69.69 crores and it is expected that expenditure during the fourth year will amount to Rs. 53.8 or 80 per cent of the Plan allocation. Progress made in the realization of the physical targets in the first four years is as follows :

23. The installed generating capacity of the EPWAPDA system is estimated to increase from 202 MW at the beginning of the current Plan to 379.34 MW by the end of 1968-69, route mileage of primary transmission lines from 199 miles to 646 miles, and secondary transmission and distribution lines from 2,101 to 3,233 miles during the same period.

DEVELOPMENT PROGRAMME FOR 1969-70

24. For the annual Development Programme for 1969-70, an allocation of Rs. 500 million has been made. This amount will be used for the installation of Ashuganj Power Station of 120 MW, Siddhirganj Power Station Extension of 50 MW and Khulna Power Station of 60 M W thereby adding 230 MW of generation capacity. Progress is also expected to be made in the construction of primary transmission and secondary transmission and distribution facilities, and it is expected that 7 miles of primary transmission lines and 1,416 miles of secondary transmission and distribution lines will be completed. It is estimated that 42,000 additional consumers will get electricity connections, and additional 89 small towns and villages will be electrified during 1969-70.

25. The further power outlook in this Province is, to a large extent, linked with the commissioning of the Rooppur Nuclear Power Project. It is apprehended that if this project is not commissioned by 1973, serious power gap will occur in the Province and the East Pakistan WAPDA might have to come up with the conventional type of generating plants on a crash basis. It is, therefore, urgent that the issue of the Rooppur plant is finalized in the near future and the pace of inter-connector project is stepped up.

West Pakistan

26. During the first four years of the Third Five-Year Plan, the installed capacity in West Pakistan increased to 1954 MW as against the Plan target of 2200 MW. Notable additions to generating capacity in 1968-69 were gas turbines stations at Shahdara (60 MW) and Kotri (30 MW) Mangla fourth unit (100 MW) and Karachi 'C' Station extension (125 MW). Total energy generation which stood at 3660 million KWH in 1964-65 is expected to reach a level of 5,000 million KWH by the end of 1968-69. The total number of consumers in the Province including Karachi are estimated to exceed 1,350,000 by July, 1969 from 837,000 at the time the Plan was launched. The expenditure incurred in the Public Sector during the first our years of the Plan was Rs. 1,019 million out of an allocation of Rs. 1,625 million (after excluding the allocation of Rs. 300 million for public tubewells electrification) or about 63 per cent of the allocation.

27. The Power Sector during 1969-70 is expected to absorb about 19 per cent of the total capital outlay for the year and allocation has been made at a record level of Rs. 399 5 out of a total investment programme of Rs. 2,100 million. This allocation is about 25 per cent higher than the allocation for Power in the revised ADP for 1968-69. With this all-time high allocation for power there may still be a shortfall of around 13 per cent in financial implementation of the Third Plan.

28. The Annual Plan has allocated 50 per cent of the total capital investment in Power to generation, 12 per cent to transmission and 38 per cent to distribution. The share for generation in financial allocation had to be kept on the high side due to heavy commitments on account of the 400 MW Guddu Thermal Power Station which would absorb 75 per cent of the total allocation for the sub-sector

29. With the present schedule of work, Guddu units 1 and 2 of 100 MW each are likely to be commissioned in 1971-72 and Unit No. 3 of 200 MW in 1972-73. There is a delay of one year also in installation of Mangla Units 5 and 6 which are now scheduled for commissioning in March/June 1971 respectively. Due to the rather heavy investment in the Generation sub-sector due to various factors, the imbalance between production and marketing of electrical energy would persist. The heavy investment called for in the generation sub-sector has seriously limited the availability of resources to the vital distribution programme, and would also impose handicaps in improving the quality of service through renovation of existing distribution mains and availability of electrical connections to private tubewells. It is now expected that during the last year of the Third Plan, WAPDA would be able to provide service connections to only about 2,000 agricultural tubewells as against an average of 5,000 tubewells electrified each year in the first three years of the Third Plan period.

30. Physical achievements as far as the installed capacity is concerned, would remain static during 1969-70 as the schemes on which investment is made would be commissioned during the Fourth Plan period. Some progress is, however, expected in the Transmission sub-sector. The Mangla Dam transmission system is likely to be energised partially during the year. The Mangla-Gujranwala section is expected to be ready for energization at 132 KV level by December 1969 and the Midway Lahore Section by March, 1970. The survey of the Lyallpur-Guddu-Karachi 500 KV inter-link which was taken in hand during 1968-69 would be completed providing room for installation of this vital transmission line linking the northern system with the southern system and Karachi by the Mid-Fourth Plan period when the Guddu Power Station is expected to be fully commissioned.

CENTRE

PAKISTAN ATOMIC ENERGY COMMISSION

31. Pakistan's first Nuclear Power Station now under construction at Paradise Point—15 miles west of Karachi is expected to come into operation by 1970 towards the fag end of the Third Five-Year Plan. This will bring 125 MWs of nuclear power for utilisation. Most of the jobs on the Pakistan Institute of Nuclear Science and Technology currently under construction near Islamabad will also be completed during 1969-70.

32. The Third Plan allocation for Atomic Energy Commission was Rs. 418.33 million. During the first four years of the Plan an expenditure of Rs. 307.59 was incurred. The A.D.P. 1969-70 provides Rs. 97.58 million.

Water Sector : Financial targets and achievements (1965—70)

(Million Rupees)

Water Development	Estimated 1965-66	Actual 1966-67	Exp. 1967-68	Revised Estimate 1968—69	Estimated Exp. 1965—69	A.D.P. 1969-70	Total Estimated Expenditure 1965—70	Third Plan Allocation 1965—70	Implementation %
(*i*) West Pakistan ..	208.23	282.17	309.07	316.47	1115.94	293.80	1409.74	2180.97*	64%
(*ii*) East Pakistan ..	149.23	206.42	205.95	239.81	801.41	290.00	1091.41	1960.00**	56%
(*iii*) Centre	7.04	4.73	5.56	8.55	25.88	9.74	35.62	57.97	61%

NOTE : * Third Plan allocation shown in West Pakistan, Planning Department Abstract, is Rs. 1448.66 million.

** Third Plan allocation shown in East Pakistan, Pianning Department Abstract, is Rs. 1432.62 million.

Power Sector : Financial targets and achievements (1965—70)

(Million Rupees)

Water Development	Estimated 1965-66	Actual 1966-67	Exp. 1967-68	Revised Estimate 1968-69	Estimated Exp. 1965—69	A.D.P. 1969-70	Total Estimated Expenditure 1965—70	Revised Third Plan Allocation 1965—70	Implementation %
(*i*) West Pakistan ..	224.25	234.26	262.84	297.53	1018.88	399.48	1418.36	1625.2	87%
(*ii*) Centre (Pakistan Atomic Energy Commission)	64.16	40.90	87.25	115.28	307.59	97·58	405.17	418.33	97%

CHAPTER XI

TRANSPORT AND COMMUNICATIONS

The Third Plan programme for the development of transport and communications in Pakistan was designed to step up the transport facilities in the country to keep pace with the estimated demand during the Plan period. The aggregate size of the programme in this Sector was double than that of the Second Five-Year Plan as the agricultural and industrial production, urban population, literacy and educational levels were expected to increase at a fast pace thus creating the need for the development of various modes of transport and communications. Generally, this was to be achieved through the improvement in the efficiency of existing system through modernisation of plant and equipment, improvement of transport ways, adoption of improved techniques and practices in the field of construction, maintenance and operation. For these programmes, the Third Plan allocated a sum of Rs. 10,611 million both in the public and private sectors. Out of this, the public sector share was Rs. 6,711 million.

2. Fortunately or unfortunately the demand for transport has not increased in accordance with the estimates. Both quantum and pattern of movement were effected. Loss of Indian transit traffic affected Pakistan Eastern Railway and East Pakistan Inland water Transport. In West Pakistan the rapid development in agriculture necessitated a shift towards road transport and stoppage of large scale foodgrain imports reduced the movement on Pakistan Western Railway. Thus traffic on the Pakistan Eastern Railway slumped during 1965/66 but has since recovered to the 1964/65 level. Whereas traffic on Pakistan Western Railway has remained almost steady since 1964/65. The development programme had to be continuously revamped in line with the traffic situation and had further, to be reshaped according to the availability of reduced resources, particularly in tune with the more difficult foreign exchange situation. It is estimated that during the first four years of the Plan, an expenditure of Rs. 3,262 million will have been incurred which is about 50 per cent of the public sector allocations for the entire Plan period. If the proposed net expenditure for the 5th year is fully incurred, the percentage implementation will come to 64 per cent of the Plan allocation. The financial implementation may, therefore, yet exceed the Second Plan achievement by about 40 per cent. The progress in most of the sub-sectors has been below expectations particularly in case of roads, railways and inland water transport in Esat Pakistan where the percentage implementation in four years has been only 35 per cent, 41 per cent and 39 per cent respectively. The implementation of the programme for the establishment of a permanent port at Pussur River has been only 27 per cent of the proposed Plan expenditure. In case of Telegraph and Telephones, this percentage has been 47 per cent. Relatively better implementation has been recorded in the case of Pakistan Western Railways, road programmes in West Pakistan and Civil Aviation. In these cases, the percentage implementation has been 65 per cent, 52 per cent and 54 per cent respectively. The only programme which has been fully implemented in this sector is that of East Pakistan Road Transport Corporation.

3. The Annual Plan for the last year of the Third Plan has been formulated on the base of this performance during the first four years of the Plan. Since the resource position for 1969-70 is no better than for the preceding years, emphasis has been laid on the programmes which have already been started and require completion. Provision has also been made for some of the more important programmes which are to be taken up to meet the immediate needs of the nation. For example, although the foreign aided programmes for Road development could not be wholly accommodated, funds have been provided for other road improvements because the increasing agricultural production will continue to need the short-haul road transport. Due to the expected increased pressure on roads, a continuous provision for the maintenance of roads will have to be made in the revenue budgets. In order to provide more vehicles, foreign exchange will have to be provided to the private sector on reasonable terms. The Government are also paying attention to regulate the transport system, through the adoption of less restrictive permit system. Consideration may also have to be given to increase the ways and means for this sub-sector.

4. Similarly, the Inland Water Transport in East Pakistan is extremely important for the economy of that Province. Provisions have been made to facilitate construction of vessels in the country and mechanisation of country-craft. For the railways, generally, the provision has been made for rehabilitation and mechanisation as railways still continue to be an important transport medium in spite of the development of stiff competition from road transport.

5. With the growth of international trade and the expected increase in the trade of foodgrains for inter-wing and international ports, the development of a second port in West Pakistan and the implementation of the programme for the Pussur River Port in East Pakistan have become extremely important. Provisions have been made for these two projects accordingly.

6. The experience of the first four years of the Plan has also brought out the problems of delays in the release of funds, cumbersome procurement procedures, difficulties in land acquisition, increasing organizational and technical complexities and the non-availability of foreign exchange. In some cases, the delays have resulted from the effort of the executing agencies to initiate a large number of projects rather than concentrating on completing a few. However, the extensive preparatory work already done, which itself is rather a time consuming process should help achieve better progress during subsequent years.

DEVELOPMENT PROGRAMME 1969-70

7. For the Annual Development Programme of the Transport and Communications Sector for 1969-70, a gross allocation of Rs. 1,076.9 million has been made. This allocation is lower than the gross allocation for 1968-69 by about 9 per cent, although it is higher than the estimated expenditure in 1968-69 by about Rs. 79 million. The net allocation for East Pakistan is also higher than that in 1968-69. The decrease in the national allocation for this sector is mainly due to a reduction in the provision for the Pakistan Western Railways where the emphasis has been laid on the completion of on-going projects, and the roads programme for which provision has been maintained at the level of 1968-69. A description of the Development Programme by the executing agencies is given below.

East Pakistan

8. The Annual Development Programme for 1969-70 provides a gross programme of Rs. 296 million and a net amount of Rs. 266.20 million for development of the transport system in East Pakistan during that year. This comes to about 11.5 per cent of the total A.D.P. allocation for that province.

A comparative statement of the sub-sectoral allocation for 1968-69 and 1969-70 is given below :—

(Rupees Million)

Sub-Sector	1968-69	1969-70	
		Gross	Net
P. E. Railways	105.00	155.36	125 35
E. P. R. T. C.	18.10	8 26	8.26
E. P. S. C.	2.68	4.55	4. 55
I. W. T. A.	25.40	29.28	29.28
Roads	87.09	96.76	95.76
Karnaphuli Bridge	5.00	3.00	3.00
Total ..	243.27	296.20	266.20

The sub-sectoral programme is as follows :

Pakistan Eastern Railway

9. A gross programme of Rs. 155.35 million with a net allocation of Rs. 125.35 million for this sub-sector. A break-up of the net allocation is indicated below :

Rolling stock	Rs. 69.86 mil ion.
Track Renewal	Rs. 3 50 million.
Plant and Machinery	Rs. 3 50 million.
Engineering and other Structural works	Rs. 20.10 million.
New Railway Lines	Rs. 21.99 million.
Other	Rs. 3.00 million.

10. It is expected that during the year, 16 luggage vans, 40 locomotives, 77 carriages, 3 tourist cars and a tug will be procured and 50 sugar cane wagons will be reconstructed. Besides 105 miles of rail renewal and 125 miles of sleeper renewals are proposed to be undertaken during the year bringing the total to improve railway track during the Third Plan period to 249 miles of rail renewal and 429 miles of sleeper renewal miles against the plan target of 528 miles of rail and 690 miles of sleeper renewal. The work of doubling of track from Pahartali to Sitakund has already been completed ; the same work in sections Sitakund to Bariadhala is nearing completion ; and in the coming year the sections between Bariadhala to Chinki Astana, Laksham to Naoti and Tongi-Tejgaon will be taken up. With the accomplishment of these works about 50 miles will be double tracked out of a Plan target of 137 miles. The Chhatak Bholaganj Ropeway, Narsingdi-Madanganj Railway and coversion of Rupsa Bagarhat Railway from narrow gauge to broad gauge are expected to be completed during the year. The Faridpur-Barisal Railway will be completed up to Talmia thus covering about 7 per cent of the planned line two cities.

Inland Water Transport (IWTA and EPSC)

11. The 1969-70 programme in this sub-sector aims at clearing the channels for river navigation, inland water port facilities, research in designing, and traffic surveys. In order to improve the speed of country crafts, a programme has been included for their mechanisation.

The sub-sectoral programme against the allocation of 33.83 million under the main sub-heads is as follows :

12. (a) *Dredging*.—Keeping the navigable channels open for free flow of traffic and development of the same is the primary responsibility of the Inland Water Transport Authority. The Authority at present undertakes two types of dredging work *viz*. maintenance and development. Maintenance dredging is of fire fighting nature involving removal of shoals forming up in the different rivers. This is a continuous process. Due to inadequate maintenance in the past and changes in the water course many rivers and channels have silted up in parts which need to be re-excavated. Besides navigational routes in some cases can be shortened considerably by digging up short-cut-canals. Such works are grouped under development dredging. The Authority will spend about Rs. 10.10 million in the coming year under this programme.

13. (b) *Ports, Ferry Terminals, Launch Stations etc*.—The programme includes development of major and secondary inland river ports, embarkation and disembarkation facilities at ferry terminals and launch landing stations. It involves construction of jetties, terminals, and pontoons and warehouse facilities. A sum of Rs. 5.50 million will be spent in the coming year for provision of such facilities at various places in the province including coastal islands.

14. (c) *Design and training Centre*.—At present no organized facility exists in the province to design the construction of inland vessels. As a resu lt the inland water transport operators depend on foreign designs which do not satisfy the local needs. Therefore, the Authority proposes to establish ship design and research centre in a phased manner. Similarly, no training facility exists in the province to train up masters, serangs and other deck hands of the IWT vessels. Therefore, a training centre is being established at Narayanganj with assistance from UNDP. The authority will invest Rs. 1.30 million in the coming year on this programme.

15. (d) *Mechanisation of Country Crafts* .—A sum of Rs. 2.10 million will be spent in the coming year for mechanisation of about 1,100 country boats.

16. (e) *Study and Investigation*.—The Authority is executing a number of schemes for survey and investigation of waterways and ports. A sum of Rs. 1.50 million will be spent on such surveys and studies in the coming year.

17. Besides the above programme for IWTA, a provision of Rs. 4.55 million has been made for Government contribution towards the share capital of East Pakistan Shipping Corporation which operates about 30 vessels on inland and coastal shipping routes.

Roads and Bridges

18. The sum of Rs. 95.76 million allocated to this sub-sector will be spent on 56 on-going and 6 new schemes. About 100 miles of roads are expected to be completed during the coming year. Contract

for the construction of bridges on the Dacca-Aricha highway, being built with the assistance of the U.S. AID has since been awarded and the work is likely to start during 1969-70. Further adjustments in the plans for Dacca-Chittagong highway are being made. The following road projects are expected to be completed during 1969-70.

(1) Dacca-Tongi diversion.
(2) Panchangorh Tetulia.
(3) Kushtia-Meherpur.
(4) Nandial-Atharbari.
(5) Mymensingh-Trisal Tarail.
(6) Narial-Bhatiapara.
(7) Sylthet-Teliapara.

A sum of Rs. 3.00 million will be spent in the next year towards completion of the floating bridge across the river Karnaphuli. New schemes proposed for 1969-70 are shown below :

(1) Improvement of ferry approaches at Demra and Daukhandi.
(2) Workshop maintenance.
(3) 1st phase of road on abondoned Dacca Railway track.
(4) Ferry over Buriganga river.
(5) Chiringa diversion.
(6) Railway bridge equipment.

The physical achievement of the Third Plan targets will thus come to 47 per cent.

East Pakistan Road Transport Corporation

19. The Corporation has been allocated a sum of Rs. 8.26 million which will be utilized for purchase of 14 trucks and 40 buses. Besides, equipment for the training institute will be procured and construction of one sub-depot, three ferry terminal stations and 30 passenger shelters will be completed.

20. In addition the Corporation proposes to undertake replacement of 234 old buses from its own resources. This will bring the number of new buses with the Corporation to 544.

West Pakistan

21. The total allocation in 1969-70 for West Pakistan in the public sector is Rs. 422.2 million wihich is lower than the allocation of Rs. 485.4 million for 1968-69 mainly due to reduced provisions for the Pakistan Western Railways and the allocation to Roads at the level of 1968-69. In the private sector, a provision of Rs. 26.07 million for West Pakistan Road Transport Corporation is comparatively higher by 50 per cent. Details are shown below :

ADP Allocations for 1968-69 *and* 1969-70

(Million Rupees)

	1968-69	1969-70
Pakistan Western Railways	310.0	244.7
Roads	175.4	177.5
Total Public Sector	485.4	422.2
West Pakistan Road Transport Corporation	17.41	26.37
Total public and private sector ..	502.81	448.57

Pakistan Western Railway

22. A provision of Rs. 244.7 million has been made for Pakistan Western Railways in 1969-70. The major items include construction work (including introduction of electric traction between Lahore and Khanewal) and other line capacity works which account for about 28 per cent of the total allocation for this sub-sector. Rolling stock accounts for 41 per cent of the allocation and track renewal for 17 per cent. The major construction items include further progress on the Kashmor—D.G. Khan and Kot Adu—D. G. Khan rail links, Karachi circular Railways, Islamabad spur and completion of electrification of Lahore-Khanewal Line. To add to the rolling stock, 60 passenger coaches, 22 other coaching vehicles and 934 wagons will be procured. About 132 track miles of rails and about 304 track miles of sleepers will be renewed. Orders are being placed for the procurement of 65 new D. E. Locomotives through U. S. AID.

23. The work on the reconstruction of Shershad bridge including the renewal of old and wrought iron girders and the provision for separate roadway will continue.

Roads

24. An allocation of Rs. 177.5 million has been made for the development of Roads during the year of which an amount of Rs. 80.0 million is for foreign aided roads incluing completion of the Karachi-Hyderabad Highway ; about 65 per cent of the allocation is for on-going schemes.

25. Of the major road projects, the Karachi-Hyderabad highway will be completed by the end of 1969; the Lahore-Lyallpur and Sheikhupura-Sargodha-Khushab highways and the bridge over River Chenab at Talibwala will be taken in hand. Feasibility study of Lahore-Rawalpindi highway will also be taken in hand. Apart from aided projects, the new programme gives priority to improvement/reconditioning widening of existing roads. In all, during the year 246 miles of new roads will be constructed and 403 miles of roads will be improved/reconditioned or widened.

West Pakistan Road Transport Corporation

26. An allocation of Rs. 26.07 million has been made for the West Pakistan Road Transport Corporation during the year 1969-70. The major item comprises of procurement of 250 buses out of which 200 buses will be for replacements and 50 for additions. Foreign loans from U.K. and Italy are being sought for the bus chasis. As a result of this programme, the total number of buses acquired during the Third Plan period will be 1451 against the Plan target of 2270 buses.

Central Programme

27. Against a gross programme of Rs. 358.5 million, the total allocation in 1969/70 for the Central Programme is Rs. 318.5 million, which is about 30 per cent lower than the allocation in 1968-69 as only the on-going or the essential programmes are included in the Development Programme. As shown below, telegraph and telephone services account for about 44 per cent and civil aviation for 23 per cent of the programme.

ADP Allocation for 1968-69 *and* 1969-70

	1968-69	1969-70	
		Gross	Net
1. Ports and Shipping	50.0	31.5	31.5
2. Civil Aviation	99.0	75.0	75.0
3. Roads	60.9	33.3	33.3
4. Telegraphs and Telephones	185.0	180.0	180.0
5. Broadcasting, Post Offices and others	62.3	38.7	38.7
Total ..	457.2	358.5	318.5

Ports and Shipping

28. A provision of Rs. 31.5 million has been made for ports and Shipping in the public sector, mainly for the permanent port on Pussur River in East Pakistan (Rs. 25.0 million). The programme includes the on-going schemes relating to the Chalna Anchorage, including the reconstruction of Roosevelt Jetty with transit sheds and acquisition of craft and equipment, and model studies for Sonmiani Port in West Pakistan.

29. On the shipping side, the programme includes the expansion of the Marine Academy at Chittagong and provision of navigational aids on Pakistan coasts.

Karachi Port

30. Rs. 63.4 million is provided for the Karachi Port, mainly for on-going works. Over 70 per cent of this total is accounted for by the following four major schemes :—

	Rupees Million
(i) Widening and Deepening of Navigable Channel	5.0
(ii) Reconstruction of Berths 1 to 4, East Wharf	16.5
(iii) Construction of 3 additional Berths at West Wharf	17.5
(vi) Repalcement and purchases of craft and equipment (Second Scheme)	6.7
Total ..	45.7

The programme also includes certain new schemes of mechanical and civil engineering works and the Third Project of eight new berths and engineering studies for the development of the Western back waters area (Rs. 2.05 million).

Chittagong Port

31. Rs. 17.90 million have been provided for the Chittagong Port. The major schemes include rehabilitation and extension of jetties 1 to 6 (Rs. 5.0 million); workshop and slipway (Rs. 2.0 million); river training works (Rs. 2.0 million) ; construction of two new jetties and replacement of four pontoon jetties (Rs. 2.0 million); and acquisition of a 125-ton floating crane (Rs. 1.0 million).

Shipping

32. The National Shipping Corporation may acquire 3 new dry cargo ships and 3 old oil tankers at a cost of approximately Rs. 100 million (depending on the availability of resources) to augment their present fleet of 27 ships.

The private shipping companies may acquire about 14 ships, half of them to replace the old vessels.

Civil Aviation

33. A provision of Rs. 75.0 million is made for the development of airports and other ancillary facilities. Almost the entire expenditure relates to on-going schemes, the major projects being the airport at Kurmitola and the Rawalpindi-Islamabad airport.

34. The Pakistan International Airlines' programme for 1969-70 may amount to about Rs. 21.26 million. A Fokker Friendship aircraft (12th in the fleet) and a Training Stimulator for Boeings are expected to be delivered during the year.

Roads

35. A provision of Rs. 8.0 million is made for the construction of roads in Azad Kashmir and the Northern Area of West Pakistan. Rs. 25.0 million is allotted for other roads.

Transport Survey

36. Rs. 1.5 million is provided for the on-going projects for detailed transport surveys of East and West Pakistan, the total cost of which is Rs. 9.6 million. These surveys are to assess the existing transport facilities, identify major transport problems and bottlenecks, review the existing transport policies and help prepare a detailed transport programme for the Fourth Plan and a more general perspective plan until 1985.

Tourism

37. An allocation of Rs. 4.0 million is made for continuing the on-going programme of tourist publicity, promotional activities, and minor development schemes. Investment will be concentrated on a few carefully selected tourist projects in East and West Pakistan.

Post Offices

38. A provision of Rs. 12.1 million is proposed largely for the reconstruction and construction of postal buildings. Except for a small allocation for new building schemes to be started in 1969-70, the expenditure relates to on-going schemes, such as reconstruction of Karachi G.P.O., extension of Dacca G.P.O., Lahore M.S.O. , Karachi City P.O., Islamabad Directorate building and some mail delivery equipment.

Telegraphs and Telephones

39. A gross programmes of Rs. 180 million and a net provision of Rs. 140.0 million has been made for the expansion and improvement of the telecommunications network and installation of approximately 25,000 additional telephones during 1969-70. Except for a small allocation for new schemes (about 7 per cent of the total) the entire expenditure relates to on-going schemes. The new schemes, *inter alia*, include requirements of other departments, and a carrier components factory at Islamabad.

Broadcasting

40. A provision of Rs. 17.2 million is proposed for additional transmitters and other ancillary facilities to augment the broadcasting system. Two 250 KW Short-Wave transmitters at Islamabad, one 100 KW Medium Wave transmitter at Multan, one 10 KW medium wave transmitter at Khulna and 8 other small transmitters will be installed.

Television

41. A provision of Rs. 2.5 million is made in the public sector for the Television Training Institute and for a film processing unit. Rs. 1.5 million has been provided as Government contribution to the share capital of Television Corportation.

42. The Television Corporation has a programme of Rs. 37.5 million for the setting up of main Television Stations at Karachi, Lahore, Dacca and Islamabad and other works. The implementation of the programme will depend on the availability of resources. Rupees 5.5 million have been provided for a loan to TV Corporation during 1969-70.

ANNUAL DEVELOPMENT PROGRAMME FOR 1969-70

(Million Rupees)

Sl. No.	Name of Scheme	Status of the Scheme	Estimated Cost	Estimated Expenditure 2nd Plan period	Third Plan Allocation	Actul for 1965-66	Actual for 1966-67	Provisional Actual for 1967-68	Revised Estimates for 1968-69	Provision for 1969-70	Foreign Exchange required for 1969-70			Source of Foreign Aid
											Total	Own Resources	Foreign Aid	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
					WEST PAKISTAN									
1.	Railways	Partly Approved.	3448.6	1104.7	1500.0	198.6	231.0	282.8	263.0	244.7	123.8	--	123.8	World Bank W. Germany A.I.D and U.K.
2.	Roads	Partly Approved.	2016.0	164.5	850.0	72.3	114.5	98.2	126.9	177.5	58.5	1.1	58.5	Under Bank Loan.
	Total West Pakistan		5364.6	1269.2	3250.0	270.9	345.5	281.0	389.9	422.2	182.3	1.1	181.2	
					EAST PAKISTAN									
1.	P.E.R.	Approved.	1371.35	458.59	915.00	114.08	64.67	89.28	105.00	125.35	95.23	3.43	91.80	
2.	I.W.T.A.	Partly approved.	207.00	130.5	260.70	18.40	30.50	27.14	25.40	29.28	6.00	0.20	5.80	
3.	E.P.S.C.	,,	--	--	14.00	3.22	3.62	0.84	2.68	4.55	--	--	--	
4.	E.P.R.T.C.	Approved.	--	12.7	40.00	1.31	10.17	11.70	18.10	2.26	2.00	0.30	1.70	
5.	Roads	Partly approved.	--	364.8	1020.41	72.58	69.42	114.52	87.09	95.76	42.92	12.02	30.90	
6.	Karnaphully Bridge ..	Approved.	11.20	--		--	0.21	4.03	5.00	3.00	1.00	1.00	--	
	Total for East Pakistan ..				2250.11	209.59	178.89	247.51	243.27	266.20	147.15	16.95	130.20	

CENTRE

1. T. & T.				1151.0	101.8	142.7	133.6	140.00	180.00	76.6	—	76.6	
2. Post Offices				70.0	5.3	8.6	11.5	13.7	12.1	—	—	—	Italy.
3. Indus Valley Road ..	Approved.	—		20.0	10.7	5.4	--	—	—	—	—	—	France.
4. Other Roads	,,			—	—	2.0	29.2	59.1	25.0	—	—	—	Germany.
5. Civil Aviation Department ..	,,	674.8	11.6	440.0	51.20	103.2	51.0	71.4	75.0	9.0	5.7	3.3	Yugoslavia.
6. Development of Chalna Anchorage.	,,	32.8	9.0	27.5	3.1	4.2	11.6	5.0	2.5	—	--	—	
7. Permanent Port Pussur River	,,	210.0	—	160.0	0.1	10.6	12.9	20.7	25.0	10.2	--	10.2	Yugoslavia.
8. Development of Second Port, Sonmiani. (Feasibility study).	,,	5.0	—	10.0	—	0.1	0.9	0.7	2.0	0.8	0.1	0.7	Germany.
9. Mercantile Marine Academy	,,	9.8	5.8	4.0	0.5	1.0	0.1	0.2	1.0	0.1	0.1	—	
10. Provision of Navigational aids on the coast of Pakistan.	,,	4.5	--	4.5	—	—	0.2	1.8	1.0	0.1	—	0.1	France.
11. Government contribution to share capital of N.S.C.	,,	15.0	—	15.0	—	—	—	—	—	—	—	—	—
12. Tourism	,,	39.5	20.3	30.0	2.9	5.0	3.9	4.4	4.0	—	—	—	Austria.
13. Transport Survey	,,	9.6	—	—	--	—	—	0.1	1.5	1.0	--	1.0	U.K. Colombo Plan I.D.A.
14. Roads in Frontier regions ..	,,	—	—	0.6	--	--	0.03	0.03	0.3	—	—	—	
15. Kashmir Affairs Division ..	,,	83.5	15.5	60.7	7.3	13.2	13.5	12.6	8.0	1.1	0.2	0.9	Poland.
16. Broadcasting	,,	124.6	1.2	90.0	10.1	5.8	15.9	23.1	17.2	9.3	—	9.3	Russia.
17. T.V. Corporation	,,	—	—	15.0	—	—	7.5	2.0	—	--	—	—	
18. T.V. (Film processing/workshop and training Institute.	,,	8.1	—	8.0	2.3	0.4	0.5	8.5	4.0	—	—	—	Germany.
Total Centre ..				184.7	296·6	292·4	353·7	31.85	108·3	5.9	102.4		

CHAPTER XII

PHYSICAL PLANNING AND HOUSING

The Third Plan programme in this sector had given top priority to the basic development programmes which included institutions for Physical Planning and Housing and preparation of development plans for urban areas. It is recognised by the Third Five Year Plan that physical planning was the basic need of a developing country and work had to be taken up to establish an infrastructure for planning and development of the physical needs of the nation. With this objective in view, programmes had been provided for the preparation of regional and outline plans, surveys, and research in basic development. Allocations had also been made for the creation of research centres and educational facilities in the fields related to physical planning. The second area of emphasis was the settlement of shelterless low income persons and the improvement of slums in the fast growing cities. Moreover, in view of the limited resources, the most essential needs of housing and community services had been planned within a system of priorities through an integrated programme in the Government and private sectors. Housing needs of public servants, particularly the lower income groups and the construction of most urgent government offices and buildings had also been included in the Plan.

2. The overall physical achievements in the Physical Planning and Housing Sector during the first four years of the Third Plan have not been satisfactory. This was partially due to the curtailment of budgetary provisions, untimely release of resources, lowering of sectoral priority and the subsequent delay in the preparation and execution of new schemes. However, the main reason for slow progress in the Physical Planning and Housing Sector was lack of appropriate institutions, extreme shortage of competent Physical Planners and inadequate efforts by the Provincial Governments to undertake new policies and programmes with respect to Physical Planning and Housing.

3. Against the Third Plan allocations of Rs. 2,476.83 million, the expenditure during the first four years of the Plan is estimated at Rs. 1,433.853 million or 58.2 per cent of the total. A breakdown of the expenditure and the Third Plan allocations for the executing agencies is given below :

(Million Rupees)

	Third Plan allocation	Estimated expenditure during four years	Percentage of expenditure against Third Plan allocations
East Pakistan	1,008.42	562.306	55.7
West Pakistan	739.32	295.110	40.0
Centre	729.09	576.437	79.0
Total ..	2,476.83	1,433.853	58.23

As can be seen from the above table, implementation of the central programme has been the highest mainly due to the construction of the two Capitals, Government offices and buildings and Government Servants housing. In the Provinces also the major progress has been made on programmes of constructing Government offices/buildings and Government Servants housing. In case of other development areas such as basic development. low income housing, community services and utilities and aid to Local Bodies, the progress has been slow. Similarly, the preparation of regional plans, urban development plans and outline development plans has not been given proper attention in either of the Provinces.

4. The development programme for 1969-70 has been formulated in the shadow of the performance related above. The Plan had included the establishment of two building and housing research centres at Dacca and Lahore. Out of this, only one centre at Dacca could be started which will be working only partially by

the end of the current Plan period. In order to supply pure drinking water to the population, the Third Plan had included 45 urban water supply schemes, 160,000 tube-wells/pumps for the rural areas of East Pakistan and small rural water supply schemes in 400 villages of West Pakistan. Out of these, the water and sewerage programmes (WASA) at Dacca and Chittagong have continued but their progress has not been satisfactory. In West Pakistan, the water supply and sewerage and drainage schemes in various urban areas have continued but at a slow pace. Out of the target of 400 rural water supply projects, 298 are expected to be completed by the end of June, 1969. The development of residential plots also have not progressed very satisfactorily due to various administrative and financial bottlenecks.

DEVELOPMENT PROGRAMME FOR 1969-70

5. A total programme of Rs. 356.075 million* is proposed for Physical Planning and Housing Sector for the year 1969-70. In drawing up this programme, care has been taken to provide adequate funds for (i) Ongoing schemes which have reached a fairly advanced stage of implementation (ii) foreign aided projects and (iii) token provision for such new schemes which are likely to be approved by the competent authority in the course of the year. The order of priority which has been assigned to the various sub-sectors in the allocation of resources is as follows :—

1. Basic Development;
2. Low income Housing;
3. Industrial Workers Housing;
4. Water Supply, sewerage and drainage;
5. Public Servants' Housing; and
6. Other sub-sectors.

East Pakistan

6. Out of the total Development Programme of Rs. 2,310 million for East Pakistan, an allocation of Rs. 167.6* million has been proposed for this sector for various development programmes during the year 1969-70. This allocation will fully cover the ongoing schemes relating to various sub-sectors *i. e.* Basic Development Project, Water Supply, Sewerage and Drainage in Urban and Rural Areas, WASA Dacca and Chittagong, Fire Services, Low Income and Public Servants' Housing, Government Offices and Buildings and Local Bodies. A brief description of the major schemes included in the development programme for 1969-70 is given below.

BASIC DEVELOPMENT

Location and Planning of Cities

7. During the Third Plan Period, an urban Development Directorate was established as a counterpart organisation for U. N. Special Fund Project " Location and Planning of cities in East Pakistan ". The data collection work has been completed and the detailed Work Plan has been prepared and substantial work on the preparatory survey and research studies in connection with the preparation of an outline Physical Development Plan for the whole of East Pakistan are expected to be completed by the end of the Plan period. A provision of Rs. 2.0 Million has been made for the continuation of this work.

Housing and Building Research Centre at Dacca

8. The work on this Project could not progress as anticipated and it is now estimated that the Centre will be operative upto 60% by the end of the Plan period. However, this Centre will be fully established in the Fourth Plan period. The training programme under this Project will be further expanded during 1969-70.

Low Income Housing

9. The work on the on-going schemes for the development of residential plots for low income families will continue. For this purpose, adequate funds have been provided and it is expected that during the year 1969-70 about 6,000 residential plots will be developed.

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*The amount does not include special allocation for new schemes of low cost housing.

Public Servants Housing

10. The funds provided for public servants housing during the 1969-70 will essentially be utilized for the completion of on-going schemes and a few new urgent schemes.

COMMUNITY SERVICES AND UTILITIES

Water and Sewerage Authority—Dacca

11. The work on this project could not progress satisfactorily due to the revision of the scheme. However, six tubewells have so far been sunk, 64 miles of secondary distribution mains have been laid, 20% work on the construction of 3 tanks (one million gallon storage capacity each) has been completed. But against the plan target of 20,000 connections, 7,960 house connections have been made and 3,620 meters have been installed against the target of 50,000. Some progress in the above mentioned works is expected during 1969-70. The overall progress on the project by the end of the Plan period will be about 25 to 30 per cent of the total project target. During the year 1969-70, an allocation of Rs. 40.0 million has been made for the continuation of the project.

Water and Sewerage Authority—Chittagong

12. So far, 35 acres of land has been acquired and 20% work on the surface water treatment plant is expected to be completed by June, 1969. Against the target of 20 tubewells, 9 tubewells have been sunk. 42 miles against the target of 76 miles of pipe line has been laid. 3,957 Nos. of service connections will be made against the target of 12,000. The work on the above items will be continued during the year 1969-70 and it is expected that by the end of the Plan period, approximately 40 to 45% of the total work will be completed.

Public Health Engineering Programme

13. The Public Health Engineering Programme for the year 1969-70 includes the continuation of work on rural water supply Phase II scheme for sinking and re-sinking of tubewells and handpumps for supplying drinking water to rural areas. A scheme for village sanitation is also being implemented. Under this scheme, 60,000 water sealed slabs for latrines were produced during the first four years of the Third Plan for supplying to the villagers for installation on a self-help-basis. Work on this scheme will continue and 15,000 more slabs are expected to be produced during the year 1969-70. In the urban water supply, sewerage and drainage sub-sector work on the preparatioon of feasibility studies for Water Supply in 31 Municipal Towns will be continued. 8 schemes are however, being implemented and are in an advanced stage of completion. Four new schemes will be taken up during 1969-70.

WEST PAKISTAN

14. A programme of Rs. 101.277 million is proposed for the year 1969-70 for Physical Planning and Housing Sector of West Pakistan. A brief description of the major schemes in various sub-sectors for which these funds will be utilized is as follows :

Basic Development

15. Under this programme adequate funds have been provided to accelerate the work on the Regional Development Plan for Peshawar Valley, Karachi Metropolitan Plan and Urban Development Plans for Multan and Rawalpindi. Some funds are also provided for undertaking urban development plans for other urban areas. Provisions have also been made to meet the requirements of outline development plans to be prepared for 8 urban areas as well as the strengthening of building research station at Lahore.

Low Income Housing/Public Servants Housing

16. In these sub-sectors, adequate allocations have been provided to cater for the on-going schemes of development of residential plots and construction of housing especially for low income families. It is estimated that during 1969-70, about 14,000 residential plots will be developed.

17. Provision has also been made to commence work on detailed planning and designing of a new Industrial Workers community at Sind Industrial Trading Estate, so as to start a new approach towards solving acute housing problems of low income families in general and industrial workers in particular in major urban areas of Pakistan.

COMMUNITY SERVICES AND UTILITIES

Water Supply, Sewerage, Drainage in Urban and Rural Areas

18. The water supply, sewerage and drainage schemes in Lahore, Karachi and other on-going schemes in urban areas have been adequately provided for so that work is accelerated. It is estimated that 17 urban water supply schemes will be completed and substantial progress will be made on the preparation of Master Plan for 23 projects of water supply by June 1969. During the year 1969-70 it is hoped that 4 more water supply schemes will be completed and detailed schemes for 23 important towns will be drawn up. Similar provisions have been made to continue work on the rural water supply schemes. 298 rural water supply schemes are expected to be completed by June, 1969 and during 1969-70 work on another 72 schemes will be continued.

CENTRE

19. For the year 1969-70, a programme of Rs. 87.198 million has been proposed for the Centre. This allocation will cater for the following :

Basic Development

20. Work on the Regional and Urban Development Project was initiated during 1968-69. The project has been put on a sound footing, some nucleus staff has since been appointed, and the necessary office facilities and equipment have been acquired. The work of setting up a Pakistan International Centre for Regional and Urban Development has been initiated. Necessary funds have been provided to accelerate work on the project during the year 1969-70, and it is expected that Phase I of the project may be put into operation by the end of 1969-70 financial year.

21. A survey of investment in private housing construction was initiated by the Central Statistical office. Surveys have already been carried out in Rawalpindi Metropolitan Area and the results have been made available. The C. S. O. is now engaged in carrying out a similar survey in Dacca and Peshawar Metropolitan Areas. The work is progressing satisfactorily and will continue during 1969-70.

New Capitals at Islamabad and Dacca

22. Work on both the Capitals is progressing satisfactorily. In the field of public servants' housing at Islamabad about 1,100 houses of various categories were completed while construction of nearly 1,350 houses is in hand and is expected to be completed during the year 1969-70. Work relating to construction of highways and roads, water supply, sewerage and drainage, and the development of the administrative sector and landscaping at Islamabad would be continued during 1969-70. The other important works which have been under-taken are the designing of the President's House, National Assembly Building and the Plan House which are expected to be completed during 1969-70. The preliminary work on the President's House, D. I. B. Building and Plan House was started during 1968-69 and substantial progress is expected to be achieved during the remaining period of the Third Plan. During 1969-70 it is also proposed to take up schemes for the construction of Defence Block, Cabinet and Foreign Office Buildings at Islamabad.

23. At Ayub Nagar (the Second Capital at Dacca) it is expected that M. N. As, Ministers and Secretaries Hostel will be completed during 1969-70. In view of the extremely satisfactory progress of construction work on both the Capitals, it is expected that the programme envisaged in the Third Plan for the two Capitals will be fully accomplished. Adequate funds have also been provided for the two capitals for the year 1969-70, so as to enable them to complete their programmes as envisaged in the Third Plan.

Government Servants' Housing and Govt. Offices and Buildings

24. On-going schemes for construction of residential and office accommodation for Central Government Servants at various places in East Pakistan and West Pakistan will be continued and some of the schemes are expected to be completed in the year 1969-70. Some new approved schemes will also be taken up.

Azad Kashmir and States and Frontier Regions

25. Sufficient funds have been provided for the completion of the on-going schemes of housing, water supply and construction of forts and picquets of Azad Kashmir, Gilgit and Baltistan Agencies and States and Frontier Regions.

Special Programme for Low Cost Housing

26. One of the most important problems facing the urban areas is the shortage of housing facilities for the low income groups. The problem has become acute due to the rapid increase in urban population resulting from large scale migration from rural to ruban areas. Since these migrants move to the cities in search of better economic opportunities they are concentrating in larger cities of Pakistan. The population of Karachi for example is increasing at a compound rate of 6 per cent per annum mainly due to migration. Other cities like Lahore, Dacca, Chittagong, Lyallpur and Hyderabad are having a similar experience. Practically all new-comers to the cities no have arrangements for their accommodation so they aggravate the already serious problem of housing.

27. The slow progress of housing for lower income groups is adding more slums to the existing one. It is estimated that 72 per cent of the urban population belongs to lower income groups and they are leading a miserable, sub-human and filthy slum life. It is not possible for the new migrants or industrial workers to pay an economic rent. These conditions lead to in-efficiency, low productivity and a horde of social problems. The hardest hit community on this score is industrial labour. The 1969-70 programme includes a sizeable programme of low cost housing and industrial housing for the urban areas.

28. Very few industrialists in Pakistan have really thought of providing housing to their workers. Although provisions have been made for such housing in the various industrial estates like SITE and Landhi at Karachi, practically no industrial labour housing has been provided. It is due mainly to the conceptual controversy over the effectiveness of labour housing and the need for legislation by which their houses could be reserved only for the labourers in the employment of the industrialist. Since the area of industrial housing is highly complex, the 1969-70 programme includes a feasibility study of the development of new industrial communities in Karachi and the construction of a pilot labour housing estate at SITE in Karachi. Similar feasibility and new industrial workers housing estate have been suggested for Dacca. A sum of Rs. 400 million has been earmarked for social sectors in order to finance welfare schemes which may be formulated and approved by Government during the cource of the next financial year. Active work is being done to formulate schemes for the construction of low cost housing for urban dwellers including industrial workers. It is Government intention that an expenditure of the order of Rs. 100 million may be incurred on this work. This will not solve the problem which essentially is a long term one but would mark a good beginning in this field, With similar allocations in future years it should be possible to solve this problem in the course of the next few years. For this purpose active cooperation of the private sector especially the industrialist and workers organizations would be essential. The details of this sub-sector are being worked out by the two Provincial Governments.

Financial Allocation for* 1969-70 *in the Physical Planning and Housing Sector

(Million Rupees)

Sub-sectors	East Pakistan	West Pakistan	Centre	Total
1. Basic Development	3.00	2.427	0.70	6.127
2. Housing :				
(*a*) Slum Improvement	19.00	9.725	—	28.725
(*b*) HBFC/Advances to Public Servants for Housing	—	—	6.50	6.50
(*c*) Public Servants Housing	4.86	7.932	3.50	16.292
3. Government Offices and Buildings	20.74	10.847	3.50	35.087
4. Community Services and Utilities :				
(*a*) Urban Water Supply	78.5	25.469	—	103.969
(*b*) Rural Water Supply	7.5	1.175	—	8.675
(*c*) Fire Services	5.00	—	—	5.00
5. Aid to local Bodies	28.00	43.58	—	71.58
6. Special Areas	—	0.122	3.498	3.620
7. Capital at Islamabad	—	—	45.00	45.00
8. Second Capital at Dacca	—	—	22.50	22.50
9. States and Frontier Regions	—	—	1.50	1.50
10. Miscellaneous	1.00	—	0.50	1.50
	167.6	101.277	87.198	356.075

Chapter XIII

EDUCATION AND TRAINING

1. The Annual Plan for the year 1969-70 is far more significant than the Plan programmes of any previous year. The gap between the Third Plan targets and the achievements of the first four years is very large. A proper assessment of the situation is, therefore, important to identify the major issues and problems with a view to setting up an appropriate programme for the 5th year of the Plan. The strategy of the last Annual Plan will be to overcome, the past deficiencies as far as possible through a comparably larger programme.

Finance performance in the First Four Years

2. The Third Five Year Plan provides Rs. 2,374 million for meeting the developmental cost of educational projects. The amounts earmarked for educational schemes in the Annual Development Programmes of the first four years work out to a total of Rs. 1,244 million which constitutes 52 per cent of the Plan allocation for education, against 67 per cent allocation provided for the Plan Programmes as a whole during the same period. The actual expenditures incurred on educational schemes in the first three years together with the revised estimates of expenditures for the fourth year, work out to a total of Rs. 907 millions. Education Sector utilized 74 per cent of the amounts earmarked in the Annual Plans against a utilization percentage of 73 for the Plan as a whole. Inspite of comparatively better utilization of available resources only about 38 per cent of the Plan allocation could be utilized in the first four years against 53 per cent utilized for the Plan as a whole.

3. The position of educational expenditures separately for East Pakistan, West Pakistan and Centre indicates that the rate of utilisation varies largely for the obvious reasons that different priorities were assigned to education by the three executing agencies. This is more than evident from the following figures :

	A.D.P allocation for education in 4 years as % of Plan allocation for education	Expenditure in education as % of total Plan allocation for education
East Pakistan	55	41
West Pakistan	47	34
Centre	62	50
	52	38

It therefore follows that at the end of the fourth year there remains an unutilized balance of 62 per cent of Plan allocation for education for the country as a whole whereas for the three executing agencies, the unutilized balance constitutes 53 per cent, 66 per cent and 50 per cent of the Plan allocation respectively.

Physical Performance

4. Assessment of physical performance of education projects and their evaluation will continue to pose a problem particularly because proper Evaluative Criteria have yet to be developed. Sizeable investments made in the improvement of existing educational institutions cannot be appropriately translated in statistical terms to indicate the extent of achievements. The impact of large expenditures incurred on the creation of institutions is not reflected in physical performance unless the institution starts functioning. On the other hand, there are many instances where large increases are reflected in the number of educational institutions and their enrolment without much expenditure being incurred on these projects. This happens when educational institutions start functioning without appropriate physical accommodation, equipment and other essential facilities. While the pressure for increased educational facilities continued, programmes as envisaged in the Third Five Year Plan could not be implemented for lack of funds. This led to the opening of many schools and colleges with improvised accommodation and meagre equipment facilities etc. The creation of such institutions has partly met the increasing demands for admission but this has again resulted in further deterioration of the quality and standard of education. Achievement of physical targets, partly or in full, is not a real indicator of progress unless justified in terms of qualitative improvement. Keeping all these limitations in view, the physical performance under various sub-sectors in the first four years of the Third Five Year Plan has been briefly indicated in the following paragraphs.

Primary Education

5. At the primary level, the Plan proposed opening of 26,414 new primary schools, improving existing 22,300 and increasing the enrolment by 58 lakhs. Against these targets, 4,500 new primary schools have been opened, 9,489 schools improved and the enrolment increased by 21.50 lakhs. In terms of percentages the performance in respect of these programmes is 18 per cent and 37 per cent respectively.

Secondary and Higher Secondary Education

6. The proposed programme included opening of high and comprehensive schools and introduction of teaching of science, industrial arts, commerce, home economics and agriculture courses in secondary schools. The programme also provided general improvements of existing high schools in respect of accommodation, science equipmnt, libraries and hostels ; improvement of junior high schools and up-grading of primary schools to middle standard and middle schools to high standard. During the first four years 69 new schools and 20 comprehensive high schools are reported to have started functioning against the targets of 118 and 40. The programme of introduction of science has been implemented to an extent of about 75 per cent, and that of introduction of other subjects to an extent of 50 per cent, the programmes of general improvement of high schools have also been implemented to an extent of 50 per cent and that of improvement of junior high schools, 35 per cent. 435 primary schools have been upgraded against the Plan target of 1,600 and 63 middle schools upgraded to high standard against the Plan target of 100. Enrolment at the middle stage increased by 5.6 lakh against the Plan target of 9.6 lakh and enrolment at the higher stage increased by 3.35 lakhs.

7. At the higher secondary (Intermediate stage) the programme of general improvement of existing colleges included provision of additional accommodation, science equipment, library books, hostels and introduction of I.Sc. courses in colleges wheres uch provision did not exist. While the programme of introducing science courses and providing science equipment has been implemented in full, only about one-third of the work could be undertaken in respect of other development programmes. Out of 51 new intermediate science colleges to be opened, 20 have started functioning in temporary accommodation. Construction of buildings of these colleges is still in its initial stage. Enrolment in intermediate classes registered an increase of 1.2 lakhs.

Teacher Education

8. In the sub-sector of teacher education the programmes implemented covered mostly improvement of existing training institutions and inservice training programme for teachers of Science, Mathematics, English, etc. Implementation of the projects providing establishment of new training institutions, particularly for primary school teachers had to be deferred as only a small number of primary schools were opened and the demand of additional primary school teachers remained much below the estimated level.

Technician Training

9. The programme for training of technicians included expansion of 11 existing polytechnic institutes, upgrading of 13 existing vocational institutes to polytechnic level and establishment of 16 new polytechnics. The programme of expansion has made only limited progress ; programme of upgrading of 7 technical institutes to polytechnic level is nearing completion. No work has however been done in respect of the remaining 6 institutes. Out of 16 new polytechnics to be established only 2 have started functioning in temporary accommodation. Due to this slow progress the admission capacity to technician courses has increased only by about 3,500 against the Plan target of 10,000.

Engineering Education

10 Progress with the implementation of development programmes of Engineering Universities and Colleges remained very slow. The project for the development of N.E.D. Engineering Colleges, Karachi remained under consideration for several years and has not yet been undertaken for implementation. The programme of establishment of engineering colleges at Chittagong and Khulna, started under the Second Plan, is still moving slowly and none of these institutions have started functioning. The pace of development of post-graduate courses has remained slow throughout and still only a limited number of students are enrolled in post-graduate programmes. Admission capacity to degree engineering courses has increased from 1,630 to 2,180.

Vocational Education

11. The Third Plan for the first time proposed to establish training facilities for skilled workers. The programme, therefore, included renovation/reorganisation of existing technical institutions and trade and vocational schools and establishment of new vocational institutes. This programme has in fact not gained any momentum so far. The programmes of reorganisation of existing trade schools and establisment of new vocational institutes is moving very slowly and no new institute has so far started functioning against the Plan target of 107.

Higher Education

12. Implementation of development programmes for colleges and universities registered good progress. Programmes for science teaching have been strengthened at a large number of colleges and general improvements of accommodation , furniture, science equipment, libraries and hostels have been made at many other colleges. Programmes for the construction of university campuses are moving ahead, and the teaching departments, especially those of science, have been strengthened.

Scholarships

13. The scholarship programme has registered comparatively better progress where the annual expenditure has increased from 21.00 milion to Rs. 34.60 million and the number of scholarships increased from 38,000 to 62,000.

Development Programmes for 1969-70

14. A sum of Rs. 343.2 million has been allocated to the education sector in the Annual Development Programme of 1969-70. This amount is 20 % lower than Rs. 430.5 million allocated to education in the Annual Development Programme for 1968-69. The inadequacy of the allocation made to education in previous years has already been indicated earlier and the result of the continuous neglect of education has been disastrous as shown by poor performance in the first four years. The amount earmarked in the Annual Development Programme for 1969-70 is again not sufficient to meet even the minimum requirements of the last year of the Third Plan. The situation will however improve considerably if at least 300 millions are allocated to education out of the additional block allocation of Rs. 400 million for the social sectors.

15. Following paragraphs briefly indicate the physical programmes for East Pakistan, West Pakistan and Centre. These programmes are based on the allocation of Rs. 343.2 million to education sector within the total size of the Annual Development Programme of 5,000 million.

EAST PAKISTAN

Primary Education

16. Under the programme, 1,666 existing primary schools will be provided with improved buildings and equipment, and 300 new primary schools will be established. Out of the 300 new primary schools, 100 will be established in the backward area of the Chittagong Hill Tracts. Enrolment is estimated to increase by 0.4 million.

Secondary Education

17. General improvements will be completed at 100 junior high schools, 264 high schools, 2 intermediate colleges and at the East Pakistan Cadet College, Foujdar Hat. Work will continue on the development of 59 high schools, 21 pilot schools, 5 intermediate colleges and on the construction of buildings ; and on the projects for the establishment of 6 residential schools and 3 Cadet Colleges. Five new high schools will be provided to 420 secondary schools, craft courses to 250 schools and religious education in 4 missionery schools. It is intended to provincialise 19 non-government high schools to provide improved facilities at the sub-divisional headquarters.

Teacher Education

18. The programme of improvement of existing 47 primary training institutes, providing or the construction of additional buildings, for the hostels for trainees and provision of equipment and furniture will be continued. Projects for the establishment of the teachers' training college at Khulna, Junior training college Mymensingh and of the development of college of Physical Education, Dacca will be completed.

Technical Education

19. A provision of Rs. 2.5 million only has been made for the development of East Pakistan University of Engineering and Technology, Dacca. It is understood that the programme of this institution will be restricted to developing it as an engineering college, and the Engineering University will be established at a new campus. On-going programme of construction of building of Engineering Colleges at Chittagong and Khulna will be continued and a new hostel for 100 students will be constructed at Engineering College, Rajshahi. All the three colleges will be supplied with equipment and library books and the Engineering College at Khulna will make its first admissions of 120 from the academic year of 1969-70. The Technical Teachers Training College at Dacca will also be provided with equipment.

20. The programme of expansion of three existing polytecnics will include provision of equipment and tools, construction of the fourth storey of the hostel at the Polytechnic Institute at Dacca and completion of construction of workshops and associated works at the other two institutes. Construction of buildings will be continued at Comilla, Mymensingh, Barisal, Bogra, Rangpur and Sylhet where the programme of upgrading vocational institutes to polytechnic level is making progress. The programme for upgrading technical institutes to polytechnic level at Dinajpur, Faridpur, Feni, Jessore, Khulna and Rajshahi will in also be taken. Land will be purchased and developed, and some equipment and furniture purchased. The admission capacity to diploma courses will rise from 3,605 to about 4,200 against the Plan target of 7,000. Programme of establishment of 17 vocational institutes at Sub divisional Headquarters will be completed and work at other 18 institutes will be continued. Construction of buildings of two vocational institutes in Chittagong Hill Tracts will also be continued and land will be purchased and layout plans prepared for the establishment of other 50 vocational institutes in the Province.

College Education

21. On-going schemes of development of Chittagong College into semi residential colleges and supplementary scheme for the development of three non-government degree colleges will be completed. Work will be College, Rangpur, which have been recently provincialised. Work will remain in progress on the projects for the establishment of two degree colleges at Dacca, *i.e.* Jinnah College and Maligabagh College will be continued. Development work of 31 non-government degree colleges, 11 government degree colleges and of College of Home Economics, Dacca, will be carried further.

Universities

22. A sum of Rs. 24.5 million has been allocated for the universities of Dacca, Rajshahi, Chittagong and Jahangirnagar. The Programme for the existing universities will include construction of academic buildings, hostel for students, residence for the teaching and other staff and purchase of equipment and library books. Work on the construction of the campus of Jahangirnagar University will be accelerated.

Scholarships

23. Rs. 12.4 million have been provided for internal scholarships including 12,100 new scholarships, and Rs. 0.6 million have been earmarked for advanced foreign training of teachers.

Miscellaneous

24. The provision of school meals will be continued at 550 secondary schools ; the Audo-Visual Aids Education Centre, Dacca will be further expanded and pilot project for adult education will be continued. Consulting services for educational building programmes will be provided, programme of guidance, counselling and testing at the university level will be expanded. Funds have also been provided for the development of 123 Kamil, and Alim non-government madrassahs and two government madrassahs at Dacca and Sylhet. Work will be continued on the establishment of Al-Jamiat-ul-Millia. Development of sports and game facilities will be carried in 500 schools and 500 colleges. On-going projects for the establishment of libraries at Chittagong and Khulna, further development of Bengali Academy, Dacca, establishment of cadet corps in East Pakistan and improvement of boys scouts and girls guides association will be continued.

WEST PAKISTAN

Primary Education

25. Provision has been made for opening 1,000 new primary schools and improvement of 2,500 existing ones by providing furniture, equipment and teaching aid. Enrolment is estimated to increase by 0.18 million.

Secondary Education

26. About 100 primary schools will be upgraded to middle standard, 20 middle schools will be raised to high standard and 20 new high schools will be opened. Construction of buildings of 17 high schools will be completed and work will be continued on the construction of buildings of 16 comprehensive high schools. Construction of buildings for 15 high schools and 20 comprehensive high schools and 13 hostels will be started. All new schools will be provided with furniture, sicence equipment and library books. Under the Programme of general improvement of existing schools, 40 schools will be provided libraries, 275 additional class-rooms and 30 arts/drawing rooms will be constructed, provision for teaching science will be made in 107 schools, industrial art courses in 11, home economics courses in 16, and commercial/ agricultural courses in 16, schools. Grants-in-aid will be provided for opening of 10 non-government high schools.

27. Programme of improvement of intermediate colleges will include construction of one new building and hostel and improvement of libraries at 13 colleges. In addition, 7 new intermediate science colleges will be opened.

28. Projects for the establishment of 3 Regional Eudcation Extension Service Centres and 4 Centres for in-service training of middle and primary school teachers will be completed and work will continue on the expansion of Technical Teacher Training College, Lyallpur and construction of hostel at Lahore. Progrmme of in-service training of teachers of science, mathematics and polytechnic will continue.

Technical Education

29. Work on the construction of academic buildings, hostels and residential quarters will continue at the campus of University of Engineering and Technology at Lahore and equipment will be provided to University Departments. Work will also be started on the construction of academic building of the N.E.D. Engineering College, Karachi at its new campus.

30. Programme of expansion of 8 polytechnic institutes will be accelerated. Work will be completed in respect of polytechnic institutes for women, Lahore, National College of arts, Lahore and Phase-I of the project for the establishment of a polytechnic institute at Lyallpur. Work will be continued on the establishment of an institute of printing and graphic arts and construction of buildings and provision of equipment in respect of 7 commercial institutes. Project for the establishment of 5 vocational institutes with an enrolment capacity of 500 and 6 vocational institutes with admission capacity of 300 and the scheme for reorganisation of existing trade and industrial schools will be carried further. Admission capacity to diploma courses is estimated to rise from 3,500 in 1968-69 to 5,000 in 1969-70 against the Plan target of 7,000.

College Education

31. The programme will emphasise improvement in teaching particularly of science, mathematics and economics. Other programmes of improvement will include introduction of B.Sc. courses in two existing degree colleges, improvement of libraries at 15 colleges and construction of 7 hostels and a new building for one of the existing colleges. Work will be accelerated in respect of the project for the establishment of 5 new degree colleges of science.

University Education

32. Rs. 12.2 million is provided for the development of the 4 existing universities in the Province. This amount will be distributed on the basis of priority of programmes to be implemented by universities during the year particularly in science subjects.

Scholarships

33. Rs. 14.5 million is provided for about 38.800 scholarships to talented students of various levels and 36 teachers will be awarded scholarships for advanced training abroad.

Miscellaneous

34. Existing museums and libraries will be improved further and the programme of developing Urdu as a medium of instruction at different educational levels will be accelerated. Provision has for the first time been made for providing computer services in the Bureau Educational Statistics. A provision of Rs. 0.3 million has also been made for the research programme to be undertaken for the formulation of the Fourth Five Year Plan.

CENTRE

35. A provision for Rs. 7.750 million has been made for the development of university programme of which Rs. 5.5 million will be spent on the construction of buildings of the University of Islamabad and provision of science equipment and journals to various departments ; Rs. 2.0 million will be made available to the general universities in East Pakistan for the development of post-graduate studies including computer science and technology.

36. A sum of Rs. 2.430 million will be utilized on the award of 30 foreign scholarships to teachers of universities and colleges, and 16 scholarships to brilliant students with excellent academic records. In addition to 112 foreign scholars already enjoying scholarships, another 70 new foreign scholars will be awarded scholarships to study at Pakistani universities. Funds have also been earmarked for supplementing 135 foreign offers of scholarships for Pakistani students.

37. The programme of Central Government Institutions at Islamabad and Dacca for the year 1969-70 will include development of Islamabad Model School and construction of a gymnasiun for it, construction of an administrative block, hostels and auditorium and award of scholarships at the Residential Model School Dacca, construction of buildings for one comprehensive high school and one other high school at Islamabad, construction of the building for the intermediate college for girls at Islamabad, construction of the Girls Model School at Ayub Nagar, Dacca and completion of the building of girls model school at Islamabad. Equipment, furniture and books will also be provided to all institutions according to their needs and requirements.

38. The programme of Cultural Pacts with foreign countries will continue. Construction of buildings will be started for National Archives of Pakistan, National Library at Islamabad, Science Museum at Dacca and Lahore, Arts Council Museum at Islamabad. Funds have also been provided for the development of Bengali and Urdu languages, the development of Liaquat Memorial Library at Karachi, completion of National Training and Coaching Centres (Sports) at Dacca, Lahore and Sargodha, and for the construction of building and supply of equipment and furniture to the Central Bureau of Education.

39. A new Education Policy was recently announced. One of the primary goals of which is the attainment of universal literacy by 1980, including a crash programme of adult literacy through the institution of National Literacy Corps. Other important goals are :—

(*i*) The two national languages to be made the medium of instruction ;

(*ii*) English to be replaced as the official language by Urdu and Bangla in the Provincial Governments by 1974 and at the Centre by 1975 ;

(*iii*) A massive shift to vocationally-oriented technical and agricultural education after secondary stage (60 per cent of secondary level students will go into such institutions over the next decade).

(*iv*) Institution of a National Pay Scale for the teaching profession with different segments for different qualifications, experience and ability ;

(*v*) By 1980 the new policy to produce three crore persons educated up to primary level, 1.2 crore up to middle school level, 7 lakh up to matric (agriculture), 5 lakh up to matric (Industrial), 4 lakh inter (agriculture), 2 lakh inter (industrial), 41,000 professional graduates and 5 lakh university graduates.

The policy was relaxed by the Government for public opinion in the light of which it is now being finalized.

ANNUAL DEVELOPMENT PROGRAMME FOR 1969-70 (EDUCATION AND TRAINING)

(Million Rupees)

Sl. No.	Sub-Sectors	E. Pak.	W. Pak.	Centre	Total
1.	Primary Education	35.000	5.000	—	40.000
2.	Secondary Education	31.600	46.708	—	79.206
3.	Teachers Education	8.001	5.271	—	13.278
4.	Technical Education	42.300	30.180	—	72.480
5.	Colleges	5.450	16.251	—	22.701
6.	Universities	27.000	12.196	7.750	46.946
7.	Scholarships	13.000	17.000	2.430	32.430
8.	Madrassah Education	1.640	—	—	1.640
9.	Social and Cultural Activities	2.709	1.325	5.362	9.396
10.	Central Government Education Institutions at Islamabad, Rawalpindi and Dacca.	—	—	—	7.825
11.	Special Projects	1.800	2.953	—	4.753
12.	Special Areas	—	3.029 (F.R)	2.060 (A.K.)	5.689
13.	Public Administration (including survey and studies)	4.200	—	3.200	7.400
14.	Publicity Schemes	—	—	0.500	0.500
15.	Establishment Division Scholarships	—	—	0.600	0.600
16.	Planning Division	—	—	0.500	0.500
	GRAND TOTAL	174.200	140.811 (Including F.R. 3.029).	3.227	354.238

CHAPTER XIV

HEALTH AND FAMILY PLANNING

The Third Five Year Plan provided an allocation of Rs. 1175 million for the public sector programme in the health sector which also included the Family Planning Programme. This allocation included the disbursements on heavy programmes of family planning, malaria eradication, T. B. Control, rural health, medical education/training, and augmentation of hospitalization facilities. During the first four years of the Plan, a total expenditure of Rs. 654.5 million was incurred on these programmes which constituted about 55 per cent of the Plan allocations. Most of this expenditure was incurred in the family planning and malaria eradication programmes and general health facilities did not get due attention.

2. In the family planning programme, most of the targets set for the Plan are likely to be over-shot. Preliminary information collected by the Family Planning Division has shown that during the first four years of the Plan, 2.5 million intra-uterine devices have been inserted. The total number of sterilizations during the first four years are reported to be 0.84 million compared with the Plan target of 90,000. The conventional contraceptives distributed till June, 1969 are expected to be around 486.88 million.

3. Under the Malaria Eradication Programme, a total population of 110.2 million are reported to have been covered under the different operational phases, 56.7 million in East Pakistan and 53.5 million in West Pakistan. Four districts, two in each Wing of the country, are reported to be free of malaria and have been handed over to the normal health services for maintenance.

4. Progress in rest of the health sector is not so impressive mainly due to paucity of funds and other administrative problems. Work is being continued to improve the training and education facilities for medical and para-medical personnel. Some progress has been made for the establishment of medical colleges at Sylhet, Mymensingh, Barisal and Rangpur as well as school of tropical medicine at Dacca. However, these projects are not expected to be completed within the Third Five Year Plan period although interim classes have started in some of these institutions.

5. The programme for rural health centres has made little progress. Against Delay the Plan target of 860 rural health centres, only 200 have so far been commissioned. Delay has been mainly due to the paucity of funds and controversy over the concept of the rural health programme. However, the 200 rural health centres commissioned so far have been provided with the necessary medical staff to make them running units.

6. The Third Plan had set a target of raising the number of hospital beds from 35,500 to 48,300 and improve the hospital bed/population ratio from 1 : 32,00 to 1 : 23,00. This target will not be achieved during the Third Plan period. By the end of the Third Plan period about 3,500 additional hospital beds will have been provided.

7. Similarly, the total number of T. B. Clinics in the country was expected to increase from 96 to 151 during the Plan period. Out of this only 22 T. B. Clinics have been completed in East Pakistan and 8 clinics in West Pakistan.

8. The programme for 1969-70 has been formulated with a view to increase the preventive and curative health facilities for the common man. In the regular Annual Development Programme of Rs. 5,000 million, the Health and Family Planning Sector has been allocated Rs. 227.8 million—Rs. 104.0 million for East Pakistan, Rs. 105.4 million for West Pakistan and Rs. 18.4 million for the Centre. Its breakdown by major sectors is given below :

(Million Rupees)

General Health	83.9
Family Planning	88.4
Malaria Eradication Programme	55.5
	227.8

In addition to this, additional funds have been provided out of the special provision for social sectors by the new regime. Most of this amount will be spent on the expansion and improvement of the curative services in both Wings of the country including a raise in the status and salary of medical personnel at various levels, medical facilities for the industrial labour and expansion of the rural health system. Incentives will also be provided to the doctors to serve in rural areas where the doctor-patient ratio is extremely poor as compared to that in the urban areas.

Family Planning

9. Monthly target of 60,000 IUD insertions has been laid down for each province during the next financial year as compared with a monthly average of 75,000 for the entire country in 1968-69. Stertilization targets for East and West Pakistan have been fixed at 60,000 and 30,000 per month respectively against the national average of 42,000 in 1968-69. In addition, 34 million conventional contraceptives will be distributed in each month. All these activities are expected to result in 0.8 million couple years of protection per month. As a result of these measures, it is hoped that the envisaged reduction in the national birth rate will to a great degree be achieved by the end of the Plan period.

Achievement for April, 1969

	West Pakistan	East Pakistan	Total
1. I.U.D.	28,772	27,203	55,975
2. Sterilization	2,206	17,008	19,214
3. Conventional Contraceptives Distribution ..	7.7 Million	5.4 Million	13 Million

Malaria Eradication Programme

10. During the year 1969-70 all zones/districts will come under the operation of the malaria eradication programme in both the provinces. The districts of Dinajpur and Rajshahi with a total population of 5.3 million will pass on to the maintenance phase. All the other places in Pakistan will be under different phases of the eradication programme *viz.* preparatory, attack and consolidation. By the end of 1969-70, it is expected that the whole country will be under control of malaria eradication programme, but it will be in different stages of execution.

Medical Education and Training

11. Work will be continued for the establishment of medical colleges at Sylhet, Mymensingh, Barisal, and Rangpur. Work for the improvement and expansion of medical colleges located at different places in West Pakistan will also be undertaken. Work will be continued on the training centres for Health Visitors at Chittagong and Sylhet, and for nurses training institutions at Dacca and Mymensingh. Work will also continue for establishing training institute for public health and para-medical personnel at Rajshahi. Provision has also been made for the construction of a permanent building for the School of Tropical Medicine at Dacca. School and Department of Paediatrics at the Jinnah Post-Graduate Medical Centre at Karachi is likely to be completed. Additional facilities, both residential non-residential, will be made available at Jinnah Post-Graduate Medical Centre, Karachi.

Hospitals

In West Pakistan existing hospitals will be improved for providing better treatment and diagnostic facilities. New hospitals will be provided where they do not exist. Hospitals located in urban areas like Karachi, Lahore, Peshawar will be improved. Work will continue on the attached hospital for Khyber Medical College, Peshawar. Central Health Programme includes funds for establishing hospitals at Dacca and Islamabad.

In East Pakistan sizeable amounts have been provided for the modernisation of hospitals located at Sadar and sub-divisional levels. This would result in enhanced facilities for better treatment and diagnosis.

Tuberculosis Control

The progress in this sector has been extremely slow in the first four years of the Plan. Although no new programmes could be taken up yet all the on-going programmes have been protected. The programme of mass vaccination of BCG has been fully provided for the year 1969-70. Work will also continue on 100 bed T.B. hospital at Khulna while additional facilities will be provided at A. B. hospital Chittagong and the Institute of Chest Disease at Dacca will be further expanded. In West Pakistan work will be undertaken for further expansion of Ojah T. B. Sanatorium Karachi. Allocation has also been made for providing additional T. B. clinics and T. B. hospital beds in West Pakistan. Under the Central programme work will be completed on T. B. Pilot Project Dacca. B.C.G. assessment team will continue its work.

Rural Health Programme

The Rural Health Programme was one of the most important programmes under the Third Five Year Plan. The progress in this sector has not been satisfactory. The whole concept of this programme is now being examined to make it more effective in the Fourth Plan. In West Pakistan 40 rural health centres are likely to be completed during the year. In East Pakistan only that amount has been provided which is needed for completing the rural health centres already in progress.

Miscellaneous

Besided these major programmes provision has been made for additional facilities at the National Health Laboratories, Islamabad, Smallpox Eradication Programme in West Pakistan and the medical stores and medical research programmes.

Annual Development Programme for Health for 1969-70

(Million Rupees)

S. No.	East Pakistan	West Pakistan	Centre	Total
1	2	3	4	5
1. Family Planning	43.8	42.5	2.1	88.5
2. Malaria Eradication Programme	30.0	25.0	0.5	55.5
3. General Health	30.2	37.9	15.8	83.9
Total ..	104.0	105.4	18.4	227.8

CHAPTER XV

SOCIAL WELFARE SERVICES

The Third Five-Year Plan allocated to 90 million for the development of Social Welfare Services in Pakistan. The total expenditure during the first 4 years of the Plan is estimated to be around Rs. 47.533 million or about 52 per cent of the Plan allocation. Out of this Rs. 16.313 million is expected to be spent in East Pakistan, Rs. 116.115 million in West Pakistan and Rs. 15,105 million in the Centre. The major reason for this shortfall was low Budget provisions during the first 3 years of the Plan which amounted to only 29 million or about one third of the Plan allocation. However, the situation improved to some extent during 1968-69 and the programmes which had suffered during the first year of the Plan got a relief.

2. The major programmes carried out during the period 1965—69 aimed at institutionalising of the Social Welfare Services in Pakistan. The field work offices at the zonal and divisional level were strengthened to have more effective influence over the Social Welfare Agencies. In order to provide greater and more effective coverage to Urban Community Development Projects expansion was made in the existing programmes. In West Pakistan the Rural Community Development Projects were started. Other programmes mainly included the encouragement of voluntary agencies through the Government grants and the establishment or expansion of special Social Welfare Services for the Orphans, Children, Mothers, Students, low paid Government employees, Prisoners, delinquents and other handicapped persons.

3. These developments, however, are still far short of the requirements of the society or the targets set for the Third Plan. The greatest shortfall has been in the development programmes for children, socially and economically handicapped persons, physical handicapped persons and the delinquents. No doubt that Social Welfare has been accepted by the society as an important service and the voluntary agencies have started generating community funds yet the public sector will have to provide the services where the private sector has not come forward adequately. The priorities for 1969-70, within the framework provided by the Third Plan, have taken this situation in consideration. The promotional and preventive Socio-Economic Development Programmes based on community participation and self-help have been given a priority over the other programmes. In line with this the projects with widespread benefits like community and voluntary efforts have been provided greater allocations then the specialised services for smaller groups. It is expected that these programmes supplemented by the provisions for social securities, benefits to salaried persons and the industrial labour will create some relief for the commonman.

DEVELOPMENT PROGRAMME FOR 1969-70

4. The Social Welfare Sector has been allocated Rs. 17.309 million out of a net development programme of Rs. 5,000 million for 1969-70. East Pakistan will receive Rs. 6.600 million, West Pakistan Rs. 6.614 million and the Centre Rs. 4.095 million. This amount will be augmented further out of the new programmes for the Social Sectors being started by the new Regime.

5. According to the strategy outlined above, no new schemes except those which are integral part of the overall development of the social sectors will be taken up during 1969-70. Nine new approved schemes will also not be started besides 98 planned units because their benefit will be restricted to smaller groups of population. The voluntary Agencies have been making a major contribution to the success of the Social Welfare programmes in Pakistan. Most of them were provided grants in aid by the Government. A cut has been made in the 1969-70 grant bill. Actually the amount of Rs. 3.79 million allocated for providing financial assistance to voluntary agencies, universities and colleges is far short of demands receive from these institutions. But during the last year of the Plan, it will be better to consolidate the efforts made in the earlier years rather than starting new programmes. Moreover, the allocation below the demand will provide an opportunity to see whether the voluntary agencies have become mature enough to mobilise the private sector resources even after the Government grants are not available in adequate size.

6. The programme for 1969-70 concentrates mainly upon community development in urban and rural areas, financial and professional assistance to voluntary agencies, youth welfare, child welfare and medical social work. All of these programmes have a mass impact through the participation of citizens in efforts to improve their own lot as well as that of other citizens. Basically, these programmes aim at enhancing the economic capacities of individuals, families and communities and improve their physical environments. Programmes for specialised groups like the curative and rehabilitation projects for the socially, economically

and physically handicapped persons like widows, the aged, disabled persons, beggars delinquents, blinds deaf and dumb, etc. will be included in the private sector programmes. Public sector in these fields is to provide only model institutions and services to assist the private sector.

7. The programmes for 1969-70 will include the continuation an expansion or completion of construction work on on-going projects. Many of these projects were started to at different times during the Third Five-Year Plan and they need to be completed now. They include probation and after-care services, medical social services, school social work, socio-economic centres, homes for destitutes and underprivileged women, homes for training and rehabilitation of beggars, mothers and children's homes, and destitute children, integrated educational programmes for the blind children, hostel for working girls and social services for physically handicapped.

8. At the end of 1969-70, if the entire programme proposed for the year is carried out, the social welfare sector will have a basic infrastructure for further expansion of social welfare in Pakistan. The targets set for the establishment of a Research and Publication set up, training facilities, and the departments of social work in the universities and colleges have been met. This has ensured a steady supply of trained social workers who will man the social welfare projects in the country in years to come. The target for social services for the youth, family and school social work will also be achieved. Other areas especially those for the special groups will be lagging behind the plant targets. However, the gaurantee of the availability of competent staff, general acceptance of the philosophy of social work and the fast expansion of the voluntary social welfare agencies will greatly assist in launching the social welfare programme of the Fourth Five-Year Plan. On the basis of the performance of the voluntary agencies, in spite of lower grants this year, will provide useful guidance for the future policy towards the private sector effort in social welfare.

9. A break-down of the development programme in the social welfare sector follows.

Annual Development Programme 1969-70 *for Social Welfare*; *Financial Expenditure* (1965—69) *and allocations* (1969-70)

S. No.	Name of Sub-Sector	Revised Third Plan Allocation	Expenditure 1965—69	A.D.P. Allocation 1969-70			
				East Pakistan	West Pakistan	Centre	Total
1	2	3	4	5	6	7	8
1.	Administration	1.438	6.006	—	—	—	—
2.	Research and Publication ..	0.292	0.153	—	0.077	—	0.077
3.	Training	3.736	0.545	0.275	0.125	—	0.400
4.	Urban Community Development ..	8.078	6.239	—	2.589	—	2.589
5.	Social Services for Rural Communities	4.921	1.398	—	1.350	—	1.350
6.	Financial and Professional Assistance to Voluntary Agencies, Universities and Colleges	22.134	14.067	—	0.700	3.095	3.795
7.	Social Services for Children ..	9.503	6.776	2.976	0.549	—	3.525
8.	Social Services for Youth ..	0.474	0.158	0.100	—	—	0.100
9.	Social Services for Families ..	1.391	0.222	0.060	0.047	—	0.107
10.	Medical Social Work	1.878	0.872	0.095	0.289	—	0.384

1	2	3	4	5	6	7	8
11.	School Social Work	1.424	0.404	0.111	0.254	—	0.365
12.	Recreation Services for Masses ..	—	—	—	—	—	—
13.	Social Services and Model Institutions for Socially and Economically Handicapped	11.198	2.353	0.681	0.556	—	1.237
14.	Social Services and Model Institutions for Physically Handicapped ..	7.525	3.616	1.560	0.078	—	1.638
15.	Social Services for Delinquents ..	2.830	1.782	0.742	—	—	0.742
16.	Social Assistance Units	—	—	—	—	—	—
17.	Staff Welfare Fund	3.500	3.631	—	—	1.000	1.000
18.	Block Provision for new Schemes ..	10.000*	—	—	—	—	—
	Total —	90.322	42.222	6.600	6.614	4.095	17.309

*This revised allocation is reflected among all the new Schemes of different sub-sectors.

CHAPTER XVI

MANPOWER TRAINING AND LABOUR

The Third Five Year Plan envisaged a programme for tackling the dual problem of partial employment in urban areas and under-employment in rural areas, and the lack of skills needed in a rapidly industrialising society. The programmes for meeting these problems included the opening of training centres for skilled labour ; vocational guidance and employment counselling and the enforcement of various statutory welfare measures for labour.

2. The Plan allocated Rs. 85.60 million for the programme in the Manpower Training and Labour Sector out of which Rs. 46.00 million was ear-marked for East Pakistan, Rs. 30.10 million for West Pakistan, and 9.50 million for the Centre. However, due to un-favourable circumstances prevailing in the first two years of the Plan , the programme in this sector suffered serious set-backs and the desired momentum could not be picked up, in spite of some acceleration in the subsequent years. As a result, the total expenditure in this sector during the first four years of the Plan is estimated at Rs. 28.97 million which is only about 29 per cent of the Plan allocation.

3. Most of this amount has been spent on programmes relating to Manpower Training and skill development which was considered vitally important for the development of the whole economy. In this sub-sector, the existing technical training centres for skilled labour were expanded and modernised — new centres were opened and the existing Industrial Relations Institutes, and the National Institute of Labour Administration Training were strengthened and expanded. New apprenticeship training offices were established and the existing Management Training Institutes were strengthened. In the field of labour market organisation, vocational guidance and youth employment units were opened in East Pakistan while a research project on rural employment promotion was initiated in West Pakistan. The implemented programmes also included the construction of office buildings for the East Pakistan Labour Directorate which would contribute to effective administration and enforcement of labour laws. In connection with the provision of safety and security, the programmes implemented during the first four years of the Plan included the creation of a Welfare Division for industrial labourers, 11 labour welfare centres and improvement of 7 existing labour welfare centres. During the period, a seamen's hostel was constructed at Chittagong and the work started on a similar centre at Karachi. In West Pakistan, the work on the establishment of a Mines Rescue Centre at Quetta was initiated which still continues. One of the important events during the Third Plan period was the enactment of the West Pakistan Employees Social Security Ordinance promulgated in 1965 which was enforced in three cities of Pakistan with effect from March, 1967 and subsequently extended to three more cities in November the Same year.

4. These programmes still have large gaps in the requirements of labour. There are important policy issues which ought to be resolved. One of the most important such areas concerning labour is the review existing Labour Laws and Wage Policy. In practice, the collective agreements, decisions of industrial courts and the wage rates fixed under the Minimum Wage Ordinance are not enforced rigidly. Similarly, the protection afforded to the labour employed by the contractors working for the P.W.D. and M.E.S. need be extended to cover the labour employed by other categories of contractors. The Minimum Wage Boards should annually review the minimum wages and consider the desirability of fixing the statutory minimum wages at a fair level.

5. Since the productivity of labour is closely related to the wage rates there is need for a continuous study, mainly on the part of the Provincial governments on the basis of which guidelines could be established for wage increase. Similarly payment of bonus should be regularised and the Payment of Wages Act, 1936 should be amended to cover all employees.

DEVELOPMENT PROGRAMME FOR 1969-70

6. The Government has already taken action on many of the issues raised in the preceding paragraphs. Steps are already being taken to ensure a minimum wage for labour in certain industries while the scheme of profit-sharing promulgated earlier by the Government has been strengthened to provide labour with a greater share in profits. A thorough study is being made of the possibility extending the minimum wage to more industries in the coming years on the basis of the recommendations made by individual Wage Boards to be appointed for different industries.

7. The Annual Development Programme for 1969-70 provides an allocation of Rs. 17.168 million for development schemes in the Manpower Sector out of a net total development programme of Rs. 5,006 million. Additional allocations have also been made under the Special Programme for Social Sectors initiated by the new regime. Out of the Annual Development Programme Rs. 5.94 million will be spent in East Pakistan, Rs. 9.517 million in West Pakistan and Rs. 1.711 million in the Centre.

Manpower Training and Skill Development

8. In East Pakistan the work of modernization and expansion will be carried on the SEATO-PAK Skilled Labour Training Centre at Dacca, Vocational and staff Training at Chittagong, Pak-German Technical Training Centre, Marine Diesel Training Centre, Narayanganj and Technical Training Centre, Rajshahi. Partial construction work will be undertaken on theTechnical Training Centre at Barisal, Commilla, Khulna, Mymensingh, Faridpur and Bogra. The existing Industrial Relations Training Institute and the Apprenticeship Training Offices at Chittanong and Khulna will also improved. Production of technical films on industrial workers' education is also planned.

9. In West Pakistan the programme will include work on Technical Training Centres at Hyderabad, Mogulpura, Peshawar, Gulberg, Multan, Rahimyar Khan and training centre for Released Defence Personnel at Jhelum. Other programmes will relate to the schemes for the training of disabled soldiers, draftsman and construction workers and grants for strengthening the existing Trade Union Institute. Under the Central Programme, the expansion of National Institute of Labour Administration Training at Karachi will continue.

Labour Market Organisation

10. In East Pakistan, work on establishment of vocational guidance and youth employment units will continue. In West Pakistan , the pilot research project for rural employment promotion which could not make any headway during the preceding year will be continued. Under the central programme, the research project on foreign employment promotion will get started in order to undertake comprehensive research on national and foreign labour market conditions for providing assistance to prospective Pakistani emigrants. the National Manpower Council will work to improve and speed up construction of the register of high-level personnel.

Promotion of Industrial Peace

11. The programme under this sub-sector in East Pakistan will include completion of Headquarters office building and Divisional office buildings of the East Pakistan Labour Directorate. In East Pakistan, with re-organisation of the Labour Directorate after completion of its new Headquarters, Regional and Divisional offices, it is hoped that administration and endorsement of existing labour legislation will be strengthened.

Provision of Safety and Security

12. In this sub-sector, programme to be undertaken in East Pakistan during 1969-70 will relate to setting up of new labour welfare centres and expansion and improvement of existing labour welfare centres. In West Pakistan, work will be continued on the construction of the mines rescue centre which is already underway. Under the central programme, work will continue on the seamen's hostel at Karachi. The enforcement of the West Pakistan employees social security ordinance 1965 will be expanded to include more cities and industries while in East Pakistan, efforts will be made for expeditious introduction of a similar scheme.

New Labour Policy

13. The new Labour Policy promulgated in 1969 focuses attention on two major problem areas, viz., Industrial Relations and Wage and Welfare. It brings out redical changes in the industrial relations system through the consolidation of existing laws on industrial disputes and trade unionism. Promotion of collective bargaining by restoring right of strike is the main feature of the proposed new law on industrial relations. It also provides a meaningful ad much needed income relief to low-paid industrial workers. The national minimam are fixed at Rs. 140 p. m. for Karachi area, Rs. 125 for other specified industrial areas and Rs. 115 for the remaining areas and are applicable to industrial and commercial establishments employing 50 or more workers. A workers' welfare fund would be set up to construct low-cost housing and other facilities for workers. The policy also envisages to retionalise the outmoded laws on occupational safety, hygiene, security and working conditions with the aim of minimising industrial hazards, laying down new scales of compensation for industrial injuries and introducing various measures of welfare.

FINANCIAL TARGETS AND ACHIEVEMENTS DURING THIRD PLAN FOR MANPOWER TRAINING AND LABOUR

ALL PAKISTAN

(Million rupees)

Sl. No.	Sub-sector/Item	Estimated expenditure during Third Plan					Total 1965—70	Third Plan Allocation	Percentage Achievement
		1965-66	1966-67	1967-68	1968-69 (R.E.)	1969-70 (CADP Allocations)			
	ALL PAKISTAN								
1.	Manpower Training and Skill Development ..	3.337	6.849	6.836	8.885	14.879	39.786	64.760	61
2.	Labour Market Organisation	—	0.080	0.045	0.192	0.586	0.928	6.100	15
3.	Promotion of Industrial Peace	—	1.040	0.270	0.150	0.110	1.570	2.660	59
4.	Provision of Safety and Security	0.110	0.510	0.518	1.122	1.593	3.853	10.590	36
5.	Analysis, Evaluation and Statistics	—	—	—	—	—	—	1.490	—
	Total ..	3.447	7.479	7.669	10.349	17.168	36.137	85.600	54
	(EAST PAKISTAN)								
1.	Manpower Training and Skill Development ..	2.150	2.888	3.445	5.520	5.390	19.393	33.960	57
2.	Labour Market Organisation	—	0.080	0.045	0.080	0.170	0.375	3.600	10
3.	Promotion of Industrial Peace	—	1.040	0.270	0.150	0.110	1.570	1.660	95
4.	Provision of Safety and Security	0.110	0.510	0.218	—	0.270	1.108	5.290	21
5.	Analysis, Evaluation and Statistics	—	—	—	—	—	—	1.490	—
	Total ..	2.260	4.518	3.978	5.750	5.940	22.446	46.000	49
	(WEST PAKISTAN)								
1.	Manpower Training and Skill Development ..	1.187	2.937	2.891	2.865	8.778	18.658	24.800	75
2.	Labour Market Organisation	—	—	—	0.112	0.216	0.328	1.500	22
3.	Promotion of Industrial Peace	—	—	—	—	—	—	1.000	—
4.	Provision of Safety and Security	—	—	—	0.363	0.523	0.886	2.800	32
	Total ..	1.187	2.937	2.891	3.340	9.517	19.872	30.100	66
	(CENTRE)								
1.	Manpower Training and Skill Development ..	—	0.024	0.500	0.500	0.711	1.735	6.000	29
2.	Labour Market Organisation	—	—	—	0.025	0.200	0.225	1.000	20
3.	Provision of safety and Security	—	—	0.300	0.759	0.800	1.859	2.500	74
	Total ..	—	0.024	0.800	1.284	1.711	3.819	9.500	40

CHAPTER XVII

WORKS PROGRAMME

The Rural Works Programme was conceived during the Second Five-Year Plan period as an effort to develop the basic infrastructure for development in the rural areas. The programme at that time was financed by the PL-480 counterpart funds and remained outside the framework of the Plan. However, in view of the successful experience of the programme it was made an integral part of the Third Five-Year Plan. The philosophy behind the programme was to mobilize the surplus of under-utilized rural man-power for the dual purpose of creating basic physical infrastructure and solving the problem of seasonal and disguised un-employment in rural areas through injections of small amounts of public funds.

2. The Third Plan allocation for the Works Programme, which was financially larger and functionally broader, was Rs. 1,820 million—Rs. 1,200 million for East Pakistan, Rs. 600 million for West Pakistan and Rs. 20 million for the central programmes in Azad Kashmir and Northern Areas of Gilgit and Baltistan. The programme aimed at creating the rural infrastructure like roads, bridges, irrigation canals, flood protection embankments and drinking water facilities. The expenditure under this programme during the first four years of the Plan is estimated to be Rs. 1,067.442 million or about 59 per cent of the total Third Plan allocation. This expenditure has not been very impressive, yet compares favourably with the expenditure in other social sectors. However, in spite of this shortfall, the programme has been able to achieve some of its basic targets. On the basis of the figures of physical achievements for the first three years of the Plan and estimates for 1968-69 the results are quite encouraging.

3. In East Pakistan in the first four years of the Plan the main physical achievements in the communication sector were the construction of 63,752 miles of " Kutcha " roads, 3,118 miles of " Pucca " roads and 41,745 bridges and culverts. In the Building Sector 7,262 buildings for Thana Training Development Centres, Union Community Centres. Town/Municipal Halls, Coastal Community Centres and Market/Shopping Centres were constructed. Construction of 6,750 miles of embankments and 7,785 miles of canals and drainage were undertaken in the Flood Protection and Irrigation sector. Besides, 4,354 other projects were also undertaken. Since 1966-67, the Thana Pilot Irrigation Programme was undertaken to raise extra crops during the dry winter months and pump groups were organised by the Basic Democrats. Under this programme, 160 training workshops and 82 storage godowns have been established and 11,041 power pump and 3,000 fractional power pumps have been installed so far.

4. In West Pakistan, the main physical achievements in the Communication sector were the construction of 536 miles of metalled roads, 2,006 miles of treated roads, 3,399 miles of " Kutcha " roads, 110 bridges and 6,700 culverts. In the Health and Sanitation sector, construction of 586 civil dispensaries, 196 drains, excavation of 463 diggies and tanks and installation of 9,518 hand-pumps was completed. The achievements in the Water, Power and Irrigation Sector included 183 tube-wells, 1,295 open surface wells and 445 " Karazes ". In the Education sector, 3,170 schools and in the Social Welfare and Housing sector, 930 community centres were constructed. Construction of 258 veterinary dispensaries was the main feature in the Agriculture Sector.

5. In Azad Kashmir, 190 miles of vehicular roads, 53 miles of pony tracks, and 58 bridges were completed. In addition, 216 school buildings and 144 council offices/community halls were constructed, 30 lift pumps were installed, 14 " Kools " were dug and 36 tanks and bowlies were excavated. In the Gilgit and Baltistan Agencies, 43 schemes relating to Transport and Communication sector for construction of bridge paths, pony tracks, foot bridges and forest feeder roads were undertaken 168 schemes relating to irrigation canals, water tanks and " bowlies " and 39 schemes relating to construction of schools and community buildings were executed.

6. These Achievements are considered to be quite impressive for a number of reasons. First, they demonstrate the potential for public participation in the development projects only if a lead is provided by the Government. Second, these programmes provided 0.2 million extra jobs during the period. Third, the works programme during these years has gradually become more and more agriculture-oriented thus supplementing the efforts towards the achievement of food self-sufficiency in areas where the public sector funds were not available in adequate quantity.

7. The programme, however, had also to face difficulties during the Plan period. The major problem has been the lack of an adequate system of Planning, reporting and evaluation. In many cases, the funds have not been properly maintained and audited due to lack of professional staff. On top of this, the late and piece-meal release of funds and the shaking up of the basic democracies system due to political changes has affected the efficiency of the programme.

DEVELOPMENT PROGRAMME FOR 1969-70

8. These problems and the future role of the Works Programme in the development of the rural areas of Pakistan has been objectively reviewed and it has been found that the programme should continue in the light of its contribution to the agricultural development of the country. For 1969-70, an amount of Rs. 210 million has been earmarked for undertaking works programme—Rs. 156 million for East Pakistan, Rs. 50 million for West Pakistan and Rs. 4 million for the Centre. This will mean a decrease of 44 per cent in the allocation for the works programme in 1969-70 over the estimated expenditure in 1968-69. With this size of the programme for 1969-70, the estimated expenditure during the entire Plan period will come to Rs. 1,277 million or 70 per cent of the allocations for the Third Plan period.

9. As was the case in previous years works programme during 1969-70 will be raised towards Agricultural productivity. During the year, projects under works programme will be more selective in nature and chosen to fit in well with the efforts for higher food production.

10. In East Pakistan, broad emphasis will be on the expansion of the Thana irrigation programme and on the organisation of the water-pump groups by the local bodies. Programmes for the establishment of worskhops in each Thana for regular training in machine-servicing and maintenance will also be undertaken However, the programmes relating to the raising of the rural infrastructure will be given due attention and construction of roads, bridges, culverts, buildings and embankments will be continued.

11. In West Pakistan, also, the programme will be more diversified in nature to include new types of programmes for aiding to increase agricultural production. New programmes, such as, construction of food godowns under works programme will also be undertaken during 1969-70. The other major programmes will be in the communication sector followed by those relating to water supply, education and social welfare. In Azad Kashmir and Northern Areas, the present pattern of implementation of projects will be followed mainly in the fields of irrigation, protective 'bunds' and road construction.

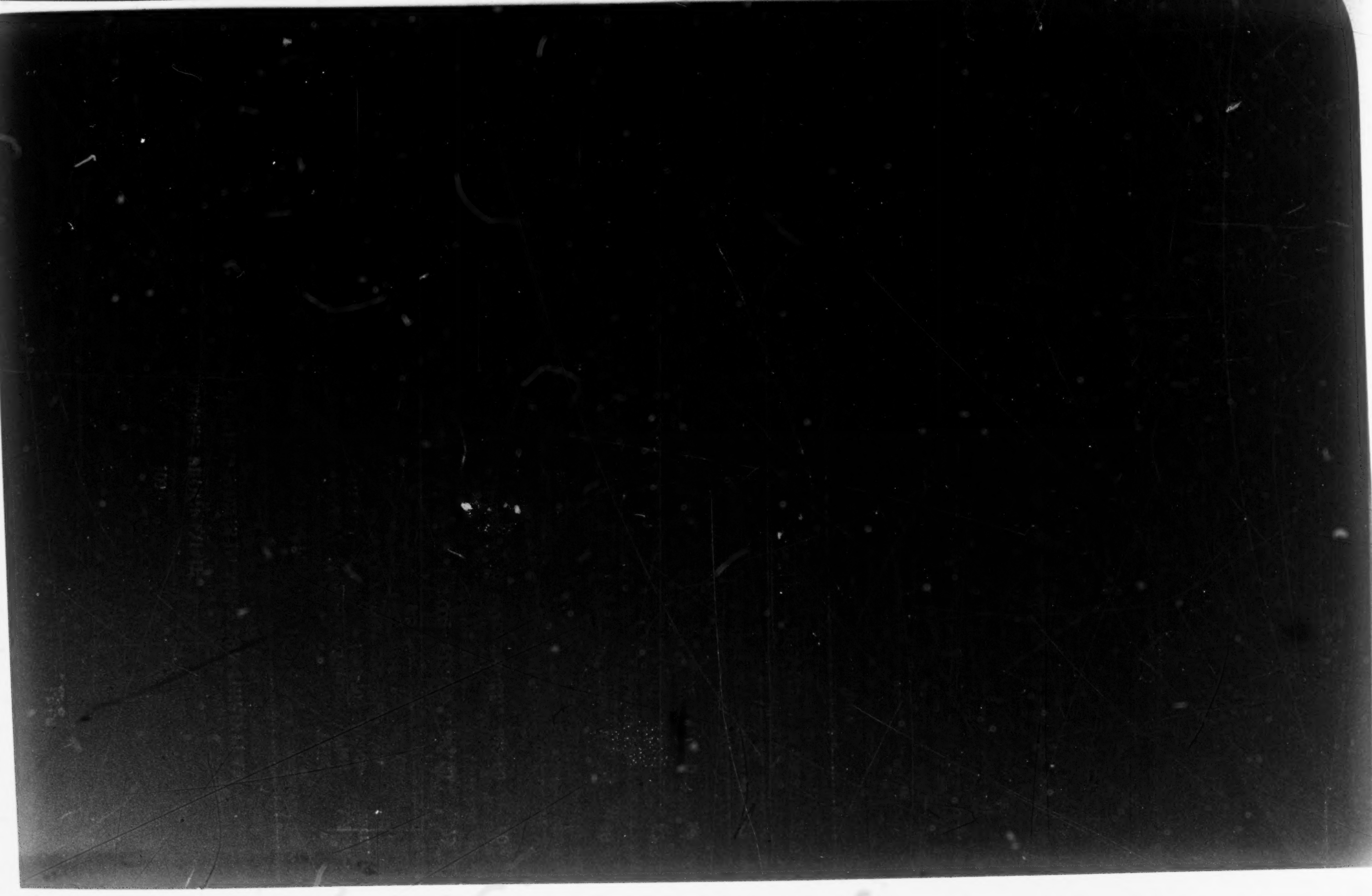
MAJOR POLICY ISSUES

12. As has been mentioned above, the smooth implementation of the works programme has to a certain extent been hampered by various bottlenecks, such as, release of funds, proper planning of projects at local levels, lack of adequate evaluation and reporting system. Due attention will have therefore to be given to the removal of these bottlenecks so as to make the implementation of the works programme smoother during the year. The accounting, reporting and evaluation system will be reviewed an recast more meticulously. The system of release of funds will be streamlined adequately to give better discipline to the financial administration of works programme so as to avoid delay in implementing projects arising out of late and piecemeal release of funds. This will help increase the effectiveness of the overall physical achievement of works programme during the Third Five-Year Plan and pave the way for continuing the programme in the Fourth Five Year Plan on a more scientific and sound basis.

WORKS PROGRAMME

FINANCIAL TARGETS AND ACHIEVEMENTS DURING THE THIRD PLAN

Sl. No.	Executing Agency	Estimated expenditure during Third Plan						Third Plan Allocation	% Achievement.
		1965-66	1966-67	1967-68	1968-69 (R.E.)	1969-70 (ADP. Provision)	Total 1965-70		
1.	East Pakistan Government.	120.000	150.000	215.000	261.000	156.000	902.000	1200.00	75
2.	West Pakistan.. Government.	100.000	50.000	50.000	110.000	50.000	360.000	600.00	60
3.	Central Government :								
	(*i*) Azad Kashmir.	1.500	1.952	2.500	1.600	2.500	10.052	12.50	80
	(*ii*) Gilgit ..	0.500	0.550	0.750	0.500	0.800	3.100	3.80	82
	(*iii*) Baltistan..	0.062	0.388	0.740	0.400	0.700	2.290	3.70	62
	Sub-total ..	2.062	2.890	3.990	2.500	4.000	15.442	20.00	77
	Total ..	222.062	202.890	268.990	373.500	210.000	1277.442	1820.00	70



PART III

Statistical Appendix

TABLE IV-I

Internal Resources of Central and Provincial Governments

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E. with effect of additional taxation
Revenue Receipts				
Centre	4704	5710	5800	6727
East Pakistan	1327	1441	1376	1533
West Pakistan	1712	1947	1860	2067
Sub-total ..	7743	9098	9036	10327
Non-Development Revenue Expenditure				
Centre	3785	4090	4110	4537
East Pakistan	990	1155	1199	1527
West Pakistan	1436	1490	1466	1747
Sub-total ..	6211	6735	6775	7811
Revenue Surplus				
Centre	919	1620	1690	2190
East Pakistan	337	286	177	6
West Pakistan	276	457	394	320
Sub-total ..	1532	2363	2261	2516
Net Capital Receipts				
Centre	37	—117	—241	—109
East Pakistan	89	225	115	135
West Pakistan	199	151	18	—16
Sub-total ..	325	259	—108	10
Total Internal Resources				
Centre	956	1503	1449	2081
East Pakistan	426	511	292	141
West Pakistan	475	608	412	304
Total ..	1857	2622	2153	2526

TABLE IV-II

Abstract

(Centre)

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E. with effect of Addl. taxation
Revenue Receipts	4704	5710	5800	6727
Non-Development Expenditure on Revenue Account.	3785	4090	4110	4537
Revenue Surplus	919	1620	1690	2190
Net Capital Receipts	37	—117	—241	—109
Total Internal Resources ..	956	1503	1449	2081

TABLE VI-3

Financing of Non-Development Revenue Account

CENTRE

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E. with effect of new Taxes
Revenue Receipts				
Customs	1266	1456	1695	1795
Central Excise	1558	2004	1818	2195
Income and Corporation Tax	268	327	316	350
Sales Tax	225	362	326	330
Other Taxes	133	171	178	343
Sub-total ..	3450	4320	4333	5013
Non-Tax Receipts				
Post and Telegraphs	87	142	111	154
Currency and Mint	73	77	78	83
Other Revenue	1094	1171	1278	1477
Sub-total ..	1254	1390	1467	1714
Total ..	4704	5710	5800	6727
Non-Development Expenditure				
Defence	2186	2450	2450	2600
Administration	395	423	419	465
Development Departments	225	211	208	267
Debt Services	622	775	770	957
Others	357	231	263	248
Total ..	3785	4090	4110	4537
Revenue Surplus	919	1620	1690	2190

TABLE IV-4

Net Capital Receipts

CENTRE

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Capital Receipts (Gross)				
Unfunded debt	109	151	149	169
Recovery of loans	222	301	294	421
Recoveries from Provincial Governments ..	144	199	195	304
Recoveries from others	78	102	99	117
Accretion to Reserve Funds	361	412	343	390
Borrowing from Non-Bank sources	72	95	101	120
Deposits and Remittances (net)	34	137	12	5
Other Capital Receipts	53	114	138	57
Total ..	851	1210	1037	1162
Capital Liabilities				
Foreign debt repayment	139	168	166	215
Repayment of food credits	129	20	22	31
Indus Basin	433	583	490	511
Others	113	556	600	514
Total ..	814	1327	1278	1271
Net Capital Receipts	37	—117	—241	—109

TABLE IV-4 A

Details of other Capital Liabilities

(*Vide* Capital Liabilities in Table IV)

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Currency	—	—	—	1
Expenditure from Reserve Funds	33	60	102	31
State Trading	—	101	37	18
Loans and Advances	46	173	406	166
Investment in Railways	—	—	—	16
Miscellaneous Investments	16	22	35	82
Other Works	18	—	—	—
Contingency	—	200	20	200
Total ..	113	556	600	514

TABLE IV-5

Abstract

EAST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Revenue Receipts	1327	1441	1376	1533
Non-Development Expenditure on Revenue Account.	990	1155	1199	1527
Revenue Surplus	337	286	177	6
Net Capital Receipts	89	225	115	135
Total ..	426	511	292	141

TABLE IV-6

Financing of Non-Development Revenue Account

EAST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Revenue Receipts				
Customs	9	—	—	—
Central Excise	132	140	138	150
Sales Tax	158	175	146	161
Income and Corporation Tax	274	301	288	309
Land Revenue	149	180	150	185
Other Taxes	190	205	203	209
Sub-total ..	912	1001	925	1014
Non-tax Receipts				
Irrigation	—	15	3	20
Other Revenue	415	425	448	499
Sub-total ..	415	440	451	519
Total ..	1327	1441	1376	1533
Non-Development Revenue Expenditure				
Administration	263	265	265	296
Development Departments	271	334	349	400
Debt Services	399	476	488	593
Others (including contingency)	57	80	97	238
Total ..	990	1155	1199	1527
Revenue Surplus	337	286	177	6

TABLE IV-7

Transfer from Central Government other than Revenue Assignments and Statutory grants excluded from Revenue Receipts

EAST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
XXXI				
Coporation	—	—	—	—
XLIX—A				
Foreign Aid grants from the Central Government	76.0	106.1	1.1	—
XLIX				
Grants in aid from the Central Government ..	12.0	3.4	85.5	91.7
XXX				
Veterinary	—	0.5	—	—
XLVI				
Transfer from grants from Deposit Account of Central Rehabilitation Fund	—	10.4	—	—
Total ..	88.0	120.4	86.6	91.7

TABLE IV-8

Net Capital Receipts

EAST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Unfunded debt	8	10	10	10
Recovery of loans (net)	5	75	20	35
Railway Reserve Fund	16	30	30	35
Disinvestment of EPIDC assets	60	80	45	45
Self Financing by Autonomous bodies	—	30	10	10
Net Capital Receipts	89	225	115	135

TABLE IV-9

Abstract

WEST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Revenue Receipts	1712	1947	1860	2067
Non-Development Revenue Expenditure ..	1436	1490	1466	1747
Revenue Surplus	276	457	394	320
Net Capital Receipts	199	151	18	—16
Total ..	475	608	412	304

TABLE IV-10

Financing of Non-development Revenue Account

WEST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 (B.E. including additional taxation).
Revenue Receipts				
Customs	7	—	—	—
Central Excise	113	119	117	128
Income and Corporation Tax	238	261	250	269
Sales Tax	189	210	203	234
Land Revenue	163	178	177	178
Other Taxes*	287	234	215	273
Sub-total ..	997	1002	962	1082
Non-Tax Receipts				
Irrigation	69	146	145	175
Other Revenues	646	799	753	810
Sub-total	715	945	898	985
Total Revenue Receipts	1712	1947	1860	2067
Non-Development Expenditure on Revenue Account				
Administration	354	346	346	396
Development Departments	595	585	596	664
Debt Services	378	422	410	550
Others	109	137	114	137
Total ..	1436	1490	1466	1747
Revenue Surplus	276	457	394	320

*Other taxes include Provincial Excise, Stamps, Receipts under Motor Vehicles Acts, and other taxes and duties.

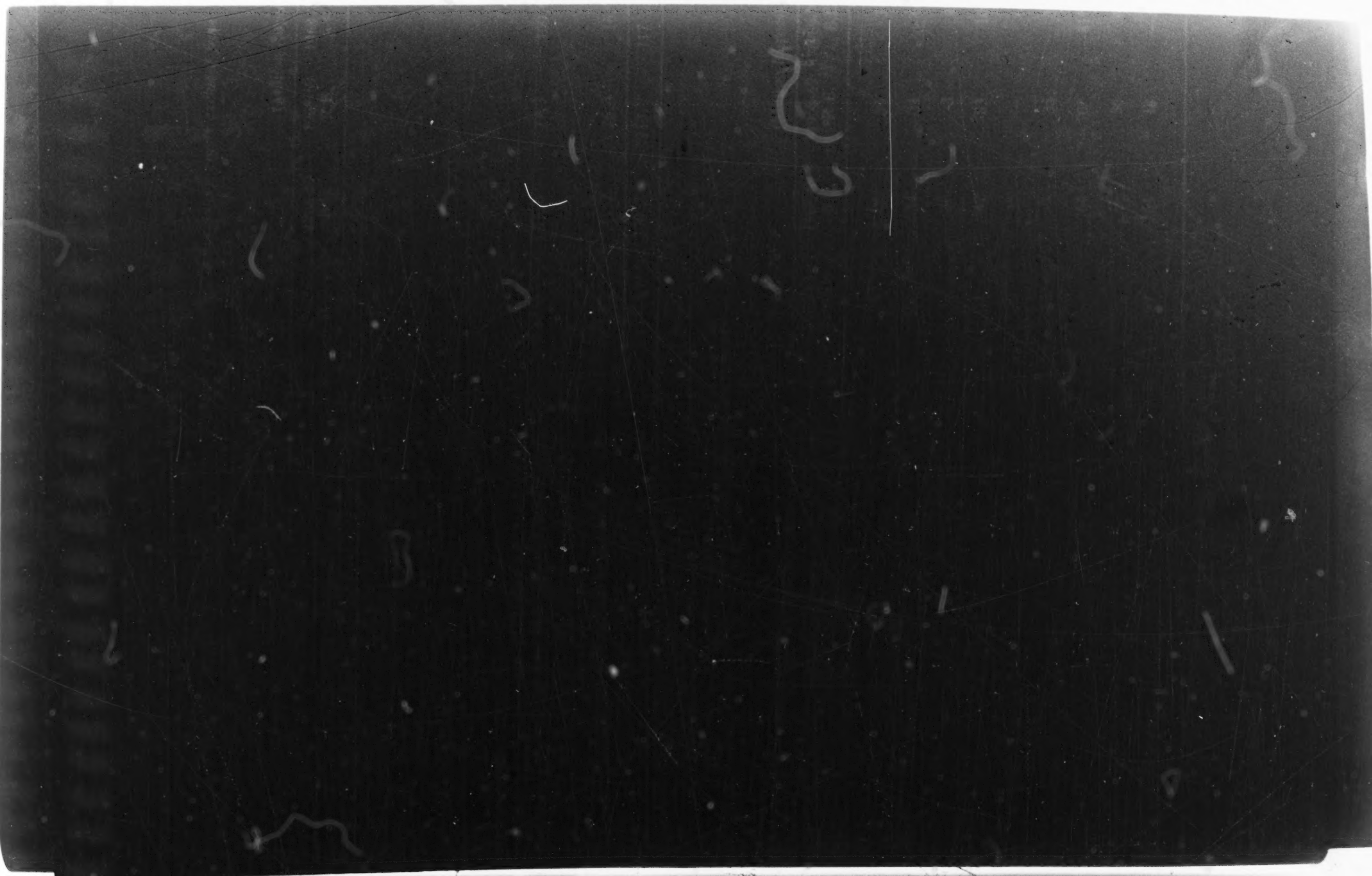


TABLE IV–11

Transfer from Central Government other than Revenue Assignments and statutory grants excluded from Revenue Receipts

WEST PAKISTAN

(Million Rupees)

	1967-68 R.E.	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
XXIX				
Agriculture (Grant received from food and Agriculture Council).				
XXXIX.—Civil Works				
Transferred from Central Road Fund				
XLIX				
Grant in aid from Central Government	63.3	79.0	77.3	100.6
XLIX A				
Foreign grants from Central Government ..	51.2	41.2	36.4	16.7
Total ..	114.5	120.2	113.7	117 .3

TABLE IV-12

Net Capital Receipts

WEST PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B.E.	1968-69 R.E.	1969-70 B.E.
Unfunded debt	29	24	34	34
Recovery of loans (net)	100	—34	—31	—66
Self-financing by autonomous agencies	29	30	3	40
Railway Reserve Funds	11	42	83	100
Sale of WPIDC assets	20	25	—	—
Market Loans	10	—	35	37
Others	—	64	—70*	—81**
Less contingency	—	--	36	80
Net Capital Receipts	199	151	18	—16

*Expenditure on account of subsidy on wheat (Rs. 47.00 million).
**Expenditure on account of subsidy on wheat (Rs. 62 million).

TABLE IV-13

Revenue Effect of Additional Taxation levied during 1969-70 *by the Central and Provincial Governments*

(Millionu Rupees)

Centre	
Customs	245.0
Central Excise	139.8
Sales Tax	—29.3
Income Tax	12.0
Wealth Tax	10.5
Development Surcharge on natural gas and furnace oil	27.3
Refundable surcharge on Income Tax and super tax at 10%	40.0
Revision of Postal rates	13.0
Revision of telephone charge	11.5
Total (Centre) :	469.8
West Pakistan	
Increase of 15% in water rates	45.0
Entertainment tax (Welfare Cess)	27.1 (10.0)
Electricity Duty, Betting Tax, Stamp duty	30.1
	102.2
West Pakistan Railways	
Increase of 15% in passenger fare, increase of 10% in freight charges	72.5
Total (West Pakistan)	174.7
East Pakistan	
East Pakistan Railways	
Increase in passenger fare	10.0
Increase in freight charges	15.0
Total (East Pakistan)	25.0
Total (All Pakistan)	669.5
Say : Rs. 670 million	

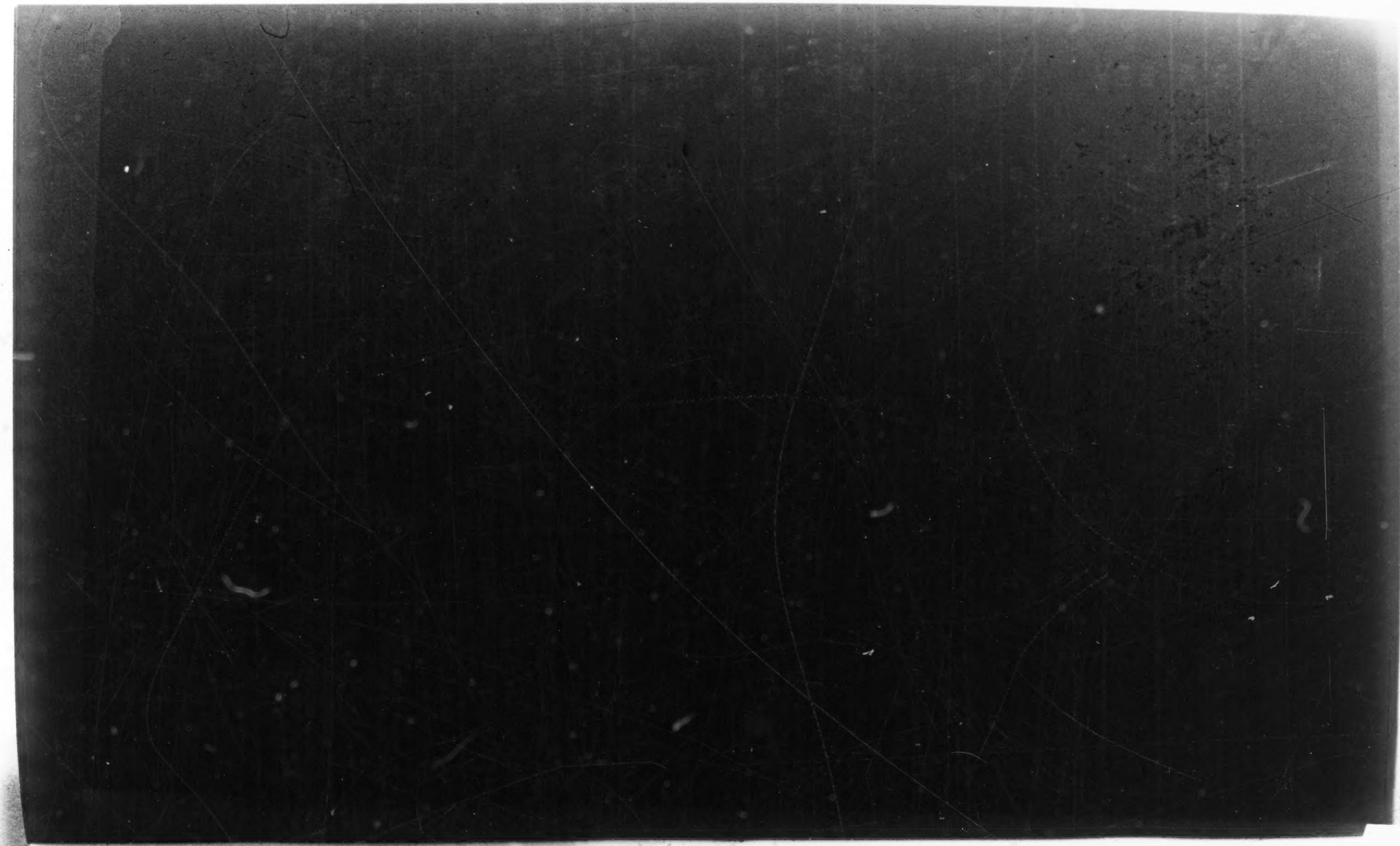


TABLE IV-14

Summary Table of deficit Financing

ALL PAKISTAN

(Million Rupees)

	1967-68 Actuals	1968-69 B. E.	1968-69 R. E.	1969-70 B. E.
For ADP purposes	501	322	374	317
For Non-ADP purposes	404	115	200	25
Total ..	905	437	574	342

TABLE IV-15

Deficit Financing

(Million Rupees)

	1967-68 Actuals	1968-69 B. E.	1968-69 R. E.	1969-70 B. E.
Centre				
Permanent debt (Net) (Market loans)	241	300	223	250
Floating debt (Net) .. — — —	146	55	130	150
Cash Balance utilization	63	—	—	—
Total ..	450	355	353	400
Cash credit. Accommodation for Food Procurement	3	115	89	25
Sub-total ..	453	470	442	425
East Pakistan				
Permanent debt (Net)	—35	—	—1	—28
Floating debt (Net)	107	—40	163	—5
Cash Balance utilization	71	2	—89	3
Sub-total ..	143	—38	73	—30
West Pakistan				
Permanent debt (Net)	—1	—3	42	—3
Floating debt (Net)	390	—	—164	—
Cash Balance utilization	—80	8	181	—50
Sub-total ..	309	5	59	—53
Total ..	905	437	574	342

Source.—Central and Provincial Budgets.

TABLE VIII-1.—*Agriculture : Physical Targets and Achievements—Pakistan*

Crop	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69 (a)	1969-70
Wheat	Thousand tons	5,464	3,889	4,324	6,375	6,800	7,000
Rice	,,	14,445	11,631	10,767	12,470	13,000	14,600
Maize	,,	786	534	581	782	619(b)	900
Other foodgrains ..	,,	770	728	740	815	(e)	(e)
Total (Foodgrains)	,,	21,465	16,782	16,412	20,442	(e)	(e)
Oil seeds ..	,,	1,827	1,182	1,315	1,539	(e)	(e)
Sugarcane ..	,,	28,300	29,507	29,705	25,954	28,160(c)	(e)
Jute	Thousand bales	8,000	6,364	6,400	6,722	5,754(b)	7,000
Cotton	,,	3,520	2,347	2,573	2,925	2,974(d)	3,200
Tea	Million pounds	73.5	60.0	63.0	65.0	(e)	(e)
Tobacco ...	,,	273	302.8	392.0	372.6	(e)	(e)

(a) Estimated production as given in the Draft Annual Plan except where mentioned otherwise.
(b) Final estimate.
(c) Second estimate.
(d) Third estimate.
(e) Data not available.

TABLE VIII-2.—*Agriculture : Physical Targets and Achievements—East Pakistan*

Crop	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69(a)	1969-70
Wheat	Thousand tons	64	35	58	58	(e)	(e)
Rice	,,	12,725	10,335	9,424	10,995	10,900	12,300
Maize	,,	16	3	3	3	3(b)	(e)
Other foodgrains ..	,,	20	12	15	16	(e)	(e)
Total (foodgrains)	,,	12,825	10,385	9,500	11,072	(e)	(e)
Oil Seeds ..	,,	277	148	168	201	(e)	(e)
Sugarcane ...	,,	7,050	7,550	8,070	7,589	7,429(c)	(e)
Jute	Thousand bales	8,000	6,364	6,400	6,722	5,754(b)	7,000
Cotton	,,	20	16	15	15	13(d)	(e)
Tea	Million pounds	73.5	60.0	63.0	65.0	(e)	(e)
Tobacco ...	,,	78.0	60.0	84.0	86.3	(e)	(e)

(a) Estimated production as given in the Draft Annual Plan except where mentioned otherwise.
(b) Final estimate.
(c) Second estimate.
(d) Third estimate.
(e) Data not available.

TABLE VIII-3.—*Agriculture : Physical Targets and Achievements—West Pakistan*

Crop	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69 (a)	1969-70
Wheat	Thousand tons	5,400	3,854	4,226	6,317	6,800	7,000
Rice	,,	1,720	1,296	1,343	1,475	2,100	2,300
Maize	,,	770	431	578	779	616(b)	900
Other foodgrains ..	,,	750	716	725	799	(e)	(e)
Total (Foodgrains)	,,	8,640	6,397	6,912	9,370	(e)	(e)
Oil seeds ..	,,	1,550	1,034	1,147	(e)	(e)	(e)
Sugarcane ..	,,	21,250	21,957	21,635	18,365	20,731(e)	(e)
Cotton	Thousand bales	3,500	2,331	2,558	2,910	2,961(d)	3,200
Tobacco	Million pounds	195.0	243.0	308.0	(e)	(e)	(e)

(a) Estimated production as given in the Draft Annual Plan except where mentioned otherwise.
(b) Final estimate
(c) Second Estimate.
(d) Third Estimate.
(e) Data not available.

TABLE IX-1 : *Manufacturing and Mining*

Bench-marks for the Fourth Five Year Plan and Production Estimates for 1969-70

Name of Sub-Sector/Item	Unit	Third Plan Targets			Fourth Plan Bench-marks		
		East Pak.	West Pak.	Total	East Pak.	West Pak.	Total
1. Industry :							
(*i*) *Food Manufacturing* :							
White Sugar ..	000 tons	230	410	640	150	450	600
Vegetable ghee ..	000 tons	25	115	140	8.5	141.5	150
Cigarettes	Million Nos.	11,500	18,500	30,000	18,000	22,000	40,000
Tea	Million Lbs.	74	—	74	72	—	72
(*ii*) *Textiles* :							
Cotton Yarn ..	Million Lbs.	234	486	720	134	566	700
(*iii*) *Jute* :							
(*a*) Hessian/sacking ..	000 tons	768	32	800	725	26	751
(*b*) Broad-loom products	000 tons	96	24	120	88	—	88
(*iv*) *Paper and Boards* :							
Writing and Printing Paper	000 tons	65	35	100	133.3	41.7	175.0
Board (hard)/particle/chip.etc.	000 tons	30	70	100			
Newsprint and Mechanical paper	000 tons	65	35	100			
(*v*) *Chemical Industries* :							
Nitrogenous fertilizers (in terms of ammonium sulphate) ..	000 tons	1,300	1,200	2,500	430	870	1,300
Phosphatic fertilizers (in terms of triple superphosphate) ..	000 tons	350	200	550	14	36	50
Soda ash	000 tons	36	136	172	—	70	70
Caustic Soda	000 tons	35	55	90	—	35	35
Sulphuric acid	000 tons	280	320	600	50	300	350
Petro-Chemical	000 tons	151	178	329	N.A.	N.A.	5
(*vi*) *Non-Metallic Minerals*:							
Cement	000 tons	2,000	4,000	6,000	400	3,200	3,600
(*vii*) *Basic Metal* :							
Steel	Thousand Ingot tons.	300	900	1,200	150	—	150
(*viii*) *Electric Machinery* :							
(*a*) Wires and Cables..	000 tons	15	20	35	N.A.	N.A.	20
(*b*) Heavy electrical Equipment ..	Million Rs.	30	90	120	N.A.	N.A.	10

Name of Sub-Sector/Item	Unit	Third Plan targets			Fourth Plan Bench-marks for 1969-70		
		E. Pak.	W. Pak.	Total	E. Pak.	W. Pak.	Total
(*ix*) *Machinery* :							
Machinery tool and Heavy Machinery Complex	Million Rs.	102	160	262	*Nil*	90	90
3. Fuels and Minerals :							
Natural Gas	Thousand Million cft.	—	—	200	15	115	130
Coal	Thousand tons	—	—	3,000	—	2,000	2,000
Sea Salt	Thousand tons	—	—	450	200	250	450
Rock Salt	Thousand tons	—	—	400	—	400	400
Chromite	Thousand tons	—	—	50	—	60	60
Silica sand	Thousand tons	—	—	50	—	85	85
Limestone	Thousand tons	—	—	7,000	320	4,680	5,000
Gypsum	Thousand tons	—	—	660	—	400	400
Petroleum (Crude Oil) ..	Million Imp. Gallons.	—	—	200	—	200	200

TABLE IX—2 Investment sanctioned in Private Sector of Industries in Pakistan for new Capacity during 1965-66/1967-68 against CIIS

(Rupees in Million)

Name of the Industry Group	1965-66/1967-68								
	East Pakistan			West Pakistan			All Pakistan		
	Internal	External	Total	Internal	External	Total	Internal	External	Total
1. Food Manufacturing Industries	20.27	19.18	39.39	163.94	161.81	325.75	184.21	180.93	365.14
2. Beverages	0.16	0.30	0.46	0.21	0.41	0.62	0.37	0.71	1.08
3. Tobacco Manufacturing	9.74	11.29	21.03	1.07	3.41	4.48	10.81	14.70	25.51
4. Manufacture of Textile.	367.14	340.18	707.32	448.81	511.24	960.05	815.95	851.42	1,667.37
5. Footwear and apparel.	1.56	0.95	2.51	5.53	6.54	12.07	7.08	7.50	14.58
6. Manufacturing of wood and cork and Allied Products	0.70	0.73	1.43	3.92	3.34	7.26	4.62	4.07	8.69
7. Manufacturing of Furniture and Fixture ..	1.77	0.58	2.35	1.23	0.71	1.94	3.00	1.29	4.29
8. Paper and Paper Products	6.06	7.89	13.95	64.53	42.52	107.05	70.59	50.40	120.99
9. Printing and Publishing.	8.27	7.17	15.44	7.76	8.76	16.52	16.03	15.93	31.96
10. Manufacturing of Leather and Leather products	0.96	0.46	1.42	12.56	11.54	24.10	13.52	15.00	25.52
11. Rubber products ..	2.24	1.42	3.66	1.62	2.51	4.13	3.86	3.93	7.79
12. Chemical and Fertilizers	17.04	12.55	29.59	540.70	700.80	1,241.50	557.74	713.35	1,271.09
13. Manufacture of Petroleum, Coal and Gas ..	0.20	0.20	0.40	31.33	27.65	58.98	31.53	27.85	59.38
14. Petro-chemicals ..	0.40	0.23	0.63	76.02	68.01	144.03	76.42	68.24	144.66
15. Non-metallic Mineral, products except Coal, Gas (Cement) ..	28.20	15.70	43.90	41.45	35.51	76.96	69.66	51.21	120.87
16. Basic Metal Industries.	6.00	6.89	12.89	24.33	20.16	44.49	30.33	27.05	57.38
17. Metal Products Industries except Machinery ..	8.49	6.50	14.99	38.65	28.78	67.43	47.15	35.28	82.43
18. Machinery except Electrical Machinery ..	7.75	7.05	14.80	29.52	36.07	65.59	37.27	43.12	80.39
19. Electrical Machinery apparatus and appliances.	22.19	20.32	42.51	30.07	31.21	61.28	52.26	51.53	103.79
20. Transport Equipments.	23.96	24.52	48.48	6.57	6.56	13.13	30.53	31.08	61.61
21. Miscellaneous Industries	11.99	10.97	22.96	26.62	29.72	56.34	38.61	40.69	79.30
22. Services Industries etc.	37.23	12.15	49.38	18.39	6.27	24.66	55.62	18.42	74.04
23. Industries not classified elsewhere	5.96	14.96	20.92	20.72	15.47	36.19	26.69	30.42	57.11
Total ..	588.28	522.13	1,110.41	1,595.55	1,759.00	3,354.55	2,183.85	2,181.12	4,464.97

TABLE X-1 *Water Sector : Physical Targets and Achievements, 1965—70.*

(Million Acres)

New Area	Actual Achievement in			Estimated Achievement	Projected Achievement	Total Estimated Achievement	Third Plan Targets	%
	1965-66	1966-67	1967-68	1968-69	1969-70	1965—70	1965—70	Achievement
(*a*) Brought under Irrigation								
(*i*) West Pakistan . .		1.44		0.68	0.62	2.74	3.98	68.7
(*ii*) East Pakistan . .	0.013	0.016	0.062	0.090	0.133	0.314	0.380	82.5
(*b*) Old area Improved through Irrigation Drainage/Flood Control								
(*i*) West Pakistan . .		6.50		2.21	12.15	10.86	17.61	62.0
(*ii*) East Pakistan . .	0.3	0.8	0.9	0.2	0.9	3.1	2.86	108.0

TABLE XI-1 *Transport and Communications : Physical Targets and Achievements*

(ALL PAKISTAN)

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage Achievement
1	2	3	4	5	6	7	8	9	10
	A. Transport :								
	1. Pakistan Western Railway :								
	Diesel Electric and Electric Locomotives	Number	161	—	26	—	20	—	29
	Coaches and Others—	Number	803	169	65	213	76	88	76
	Wagons	Number	9,232	1,510	1,488	1,133	650	934	62
	Rail Renewals ..	Track Miles	851	123	54	122	196	132	73
	Sleeper Renewals ..	,,	1,188	105	75	169	260	304	77
	2. Pakistan Eastern Railway :								
	Diesel Electric Locomotives	Number	84	—	18	—	—	40	69
	Coaches and Others..	Number	739	103	34	24	27	96	38
	Wagons	Number	4,161	313	179	412	246	50	29
	Rail Renewals ..	Track Miles	528	37	5	59	43	105	47
	Sleeper Renewals ..	,,	690	40	44	122	98	125	62
	3. High Type Roads :								
	West Pakistan (New Construction) ..	Miles	1,750	219	230	234	295	246	79
	(Improvements) ..		+ 1,200	+ 155	+ 141	+ 208	+ 109	+ 403	
	East Pakistan ..	Miles	1,000	119	129	60	60	100	47
	4. Road Transport Vehicles :								
	West Pakistan Road Transport Corporation	Number	1,500	—	671	430	100	250	66
	East Pakistan Road Transport Corporation	Buses/Trucks	514	1	53	179	43	54	67

1	2	3	4	5	6	7	8	9	10
5. Ports :									
Traffic Handled at ports :									
Karachi Port	..	'000' tons	—	7,056	9,074	8,662	—	—	—
Chittagong Port	..	,,	—	3,642	4,329	4,057	—	—	—
Chalna Port	..	,,	—	1,483	2,162	1,866	—	—	—
Ships (NSC)	..	Number	37	8	7	1	1	6	62
B. Communications :									
1. Post Offices	..	,,	2,000	391	364	515	500	730	125
2. Telephones	..	,,	150,000	12,000	12,200	18,800	20,000	25,000	59

XII-1.—*Physical Planning and Housing Sector : Physical Targets and Achievements*

(PAKISTAN)

Sl. No.	Sub-Sector/Item	Unit	third Plan Targets	Achievements						% age implementation during 3rd Plan period.
				1965-66	1966-67	1967-68	1968-69	1969-70	Total 1965—70	
1	2	3	4	5	6	7	8	9	10	11
1.	*Development of residential plots/Houses	Nos.	1,30,000	7,500	9,500	20,000	23,000	20,000	80,000	61.53
2.	Water Supply, Sewerage and Drainage scheme for urban Areas :									
	(*i*) East Pakistan ..	Nos.	20 cities	—	2	3	3	4	12	60
	(*ii*) West Pakistan ..	Nos.	25 cities	3	6	4	4	4	21	84
3.	Water Supply in rural area :									
	(*i*) East Pakistan ..	Tubewells	1,60,000	600	3,200	5,200	27,700	27,500	64,200	40
	(*ii*) West Pakistan ..	Village	400	80	78	70	70	72	370	92.5
4.	Building and Housing Research Centre.	Nos.	2	2 centres 10%	2 Centres 25%	2 centres 35%	2 Centres 50%	2 Centres 60%	2 Centres 60%	60
5.	Regional Development Plans.	Nos.	4	—	—	1 Plan 10%	1 Plan 25%	1 Plan 50%	1 Plan 50%	12.5
6.	Urban Development Plan	Nos.	12	—	3	1	1	1	6	50
7.	Outline Development Plan.	Nos.	12	—	—	—	8 Plans 25%	8 Plans 25%	8 Plans 100%	66.67
8.	Provincial outline development Plan	Nos.	1	—	5%	15%	25%	25%	25%	25
9.	National Build. Centre	Nos.	1	—	—	—	—	—	Nil	Nil
10.	Pakistan centre for Regional and Urban Development ..	Nos.	1	—	—	5%	10%	10%	10%	10

*These plots include the plots developed in the sub-sector of Low-Income housing and Aid to local bodies for Low-Income housing group.

TABLE XII-2 *Physical Planning and Housing Sector : Physical Targets and Achievements*

(EAST PAKISTAN)

Sl. No.	Sub-sector/Item	Unit	Third Plan targets	Achievements					Total 1965—70	% age Implementation during 3rd Plan period.
				1965-66	1966-67	1967-68	1968-69	1969-70		
1	2	3	4	5	6	7	8	9	10	11
1.	*Development of residential plots/houses	Nos.	50,000	4,500	6,000	9,300	10,000	6,000	35,800	71.6
2.	Water supply, sewerage and drainage scheme for Urban areas ..	Nos.	20 cities	—	2	3	3	4	12	60
3.	Water supply in rural area.	Nos.	160,000 Tubewells	600	3,200	5,200	27,700	27,500	64,200	40
4.	Building and Housing research centre ..	Nos.	1	10%	25%	35%	50%	60%	60%	60
5.	Provincial Outline development Plans ..	Nos.	1	—	5%	15%	25%	25%	25%	25

*These plots include the plots developed in the sub-sector of Low-Income housing and Aid to local bodies for Low-Income housing group.

TABLE XII-3 *Physical Planning and Housing Sector : Physical Targets and Achievements*

(WEST PAKISTAN)

Sl. No.	Sub-sector/Item	Unit	Third Plan targets	Achievements					Total 1965—70	% age Implementation during 3rd Plan period.
				1965-66	1966-67	1967-68	1968-69	1969-70		
1	2	3	4	5	6	7	8	9	10	11
1.	*Development of residential plots/houses	Nos.	80,000	3,000	3,500	10,700	13,000	14,000	44,200	55.25
2.	Water supply, sewerage and drainage scheme for Urban areas	Nos.	25 cities	3	6	4	4	4	21	84
3.	Water supply in rural area.	Nos.	400 villages	80	78	70	70	72	370	92.5
4.	Building and Housing research centre ..	Nos.	1	10%	25%	35%	50%	60%	60%	60
5.	Regional Development Plans ..	Nos.	1	—	—	10%	25%	50%	50%	50
6.	Urban development plan	Nos.	12	—	3	1	1	1	6	50
7.	Outline development plan	Nos.	12	—	—	—	8 plans 25%	8 plans 25%	8 plans 100%	66.67

*These plots include the plots developed in the sub-sector of Low-Income housing and Aid to local bodies for Low-Income housing group.

TABLE XII-4 *Physical Planning and Housing Sector: Physical Targets and Achievements*

(CENTRE)

Sl. No.	Sub-sector/Item	Unit	Third Plan targets	Achievements					Total 1965—70	% age Implementation during 3rd Plan period.
				1965-66	1966-67	1967-68	1968-69	1969-70		
1	2	3	4	5	6	7	8	9	10	11
1.	National Building Centre	Nos.	1	—	—	—	—	—	Nil	Nil
2.	Pakistan Centre for Regional and Urban Development ..	Nos.	1	—	—	5%	10%	10%	10%	10

TABLE XIII-1. *Education and Training: Physical Targets and Achievements*

(PAKISTAN)

Sl. No.	Sub-Sector/Item	Unit	Third Plan targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage Implementation during Third Plan
1	2	3	4	5	6	7	8	9	10
1.	Additional enrolment at primary school stage.	Million	5.80	0.386	0.483	0.698	0.805	0.580	50
2.	Additional enrolment at middle school stage.	Number	9,00,000	1,14,000	86,000	1,51,000	1,55,000	8,00,000	90
3.	Additional enrolment at high school stage.	,,	2,50,000	35,000	58,000	61,000	75,000	91,000	128
4.	Additional enrolment at higher secondary stage.	,,	1,35,000	14,200	20,000	34,000	53,000	70,000	142
5.	Annual output of trained primary school teachers.	,,	19,000	14,600	14,600	16,400	17,400	23,000	67
6.	Annual output of trained secondary school teachers.	,,	5,200	3,734	3,821	4,429	4,875	5,150	99
7.	Total output of graduate Engineers.	,,	6,000	760	931	1,152	1,237	1,298	880
8.	Total output of technicians	,,	23,000	2,080	2,472	3,150	3,650	4,450	69

TABLE XIII-2. *Education and Training: Physical Targets and Achievements*

(EAST PAKISTAN)

Sl. No.	Sub-Sector	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage implementation during Third Plan
1	2	3	4	5	6	7	8	9	10
1.	Additional enrolment at primary school stage.	Million	3.00	0.125	0.323	0.448	0.550	0.400	61
2.	Additional enrolment at Middle school stage.	Number	4,00,000	95,000	35,000	s77 000	79,000	2,00,000	13
3.	Additional enrolme nt at High School stage.	,,	1,25,000	22,000	36,000	35,000	41,000	50,000	147
4.	Additional enrolment at Higher Secondary Stage.	,,	60,000	6,000	15,000	19,000	35,000	50,000	208
5.	Annual output of trained primary school teachers.	,,	8,600	4,200	4,200	6,000	7,000	8,000	93
6.	Annual output of secondary school teachers.	,,	1,700	1,125	1,125	1,375	1,575	1,660	97
7.	Total output of graduate Engineers.	,,	2,200	223	250	350	400	425	75
8.	Total output of technicians	,,	11,000	750	2,050	1,150	1,350	1,650	54

TABLE XIII-3.—*Education and Training: Physical Targets and Achievements*

(West Pakistan)

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage implementation during Third Plan
1	2	3	4	5	6	7	8	9	10
1.	Additional enrolment at primary school stage.	Million	2.80	0.200	0.160	0.235	0.255	0.255	37
2.	Additional enrolment at middle school stage.	Number	5,00,000	19,000	51,000	74,000	76,000	60 000	56
3.	Additional enrolment at high school stage.	,,	1,25,000	13,000	22,000	26,000	34,000	41,000	109
4.	Additional enrolment at higher secondary stage.	,,	75,000	8,200	5,600	15,000	13,000	20,000	89
5.	Annual output of trained primary school teachers.	,,	20,400	10,400	10,400	10,400	10,400	5,000*	100*
6.	Annual output of trained secondary school teachers.	,,	3,500	2,609	2,696	3.300	3,300	3,500	100
7.	Total output of graduate engineers.	,,	3,800	537	681	802	837	873	98
8.	Total output of technicians	,,	12,000	1,330	1,480	2,000	2,300	2,800	82

*Under a policy decision the duration of training for primary school teachers was extended to two years, hence admission halved.

TABLE XIV-1.—*Health and Medical Services: Physical Targets and Achievements*

S. No.	Sub-Sector/Item	Unit	Third Plan targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage implementation
1	2		3	4	5	6	7	8	9
1.	Doctors ..	Number	4,200	900	1,000	1,000	1,000	1,000	117
2.	Nurses ..	Do.	1,800	400	270	300	250	350	93
3.	Lady Health Visitors ..	Do.	1,700	—	500**	175	175	175	60
4.	Hospital Beds	Do.	12,800	—	—	—	2,700****	650	28
5.	Tuberculosis Clinics ..	Do.	55	19*	4*	13*	8	6***	25
6.	Rural Health Centres ..	Do.	700	20	28	60	67	100	39
7.	Medical Colleges ..	Do.	2	—	—	Work Started on 2 medical colleges.		Work continued	

*Left over from Second Plan.

**Achievement for two years *i. e.* 1965—67.

***Achievement for total Plan Period.

****In first four years.

TABLE XV-1.—*Annual Development Programme: Social Welfare Physical Targets and Major Programmes*

Sl. No.	Name of Sub-sector/Item	Third Plan Targets	Achievements in 1965—69	Targets of A.D.P. 1969-70		
				E. Pak.	W. Pak.	Centres
1	2	3	4	5	6	7
1.	Administration	3	1	Completion and continuation.		
2.	Research and Publication	1	1		Do.	
3.	Training	4	4		Do.	
4.	Urban Community Development	89	69		Do.	
5.	Social Services for Rural Communities ..	30	22		Do.	
6.	Financial and Professional Assistance to Voluntary Agencies, Universities and Colleges ..	3	3		Do.*	
7.	Social Services for Children	199	30		Do.	
8.	Social Services for Youth	3	3		Do.	
9.	Social Services for Families	6	6		Do.	
10.	Medical Social Work	11	7		Do.	
11.	School Social Work	22	19		Do.	
12.	Recreation Services for Masses	—	—		—	
13.	Social Services and Model Institutions for Socially and Economically Handicapped ..	67	15		Do.	
14.	Social Services and Model Institutes for Physically Handicapped	59	20		Do.	
15.	Social Services for Delinquents	21	9		Do.	
16.	Social Assistance Units	—	—		—	
17.	Staff Welfare Fund	9	9		Do.	
	Total ...	527	218			

*The Central and Provincial Governments continued to provide financial assistance and professional guidance to the voluntary agencies under the auspices of the National Council of Social Welfare and the Provincial Councils of Social Welfare.

TABLE XVI-1.—MANPOWER TRAINING AND LABOUR : PHYSICAL TARGETS AND ACHIEVEMENTS

PAKISTAN

Sub-sector	Unit	Third Plan Targets	Physical Achievements				Physical Targets
		1965-66	1966-67	1967-68	1968-69		1969-70
1	2	3	4	5	6	7	8
I. Manpower Training Skill Development.	Nos.	Modernisation of 6 existing technical training centres, 3 each in East and West Pakistan and establishment of 13 new technical training centres, 9 in East Pakistan and 4 in West Pakistan including one training centre for released defence personnel in each wing ; setting up of 2 seamen training centres one in each wing; expansion and improvement of one management development centre, 2 apprenticeship training offices in East Pakistan, strengthening of 2 existing industrial relations institute, one in each wing, construction of one apprenticeship training office and 20 documentary films for workers education in East Pakistan and introduction of training scheme for disabled soldiers, craftsmen and construction workers in West Pakistan and expansion of one institute of labour administration training at Karachi.	Construction work on 10 technical training centres—5 in East and 5 in West Pakistan.	Continuation of construction work on 9 technical training centres–5 in East and 4 in West Pakistan, partial improvement and expansion work of one industrial relations institute and one management development centre in East Pakistan and initiation of expansion work on one institute of labour administration at Karachi.	Continuation of construction work on 9 technical training centres–5 in East and 4 in West Pakistan : initiation of preliminary work on 4 new technical training centres in East Pakistan ; continuation of work on one industrial relations institute and one management development centre in East Pakistan ; continuation of expansion work, and one institute of labour administration training at Karachi and initiation of partial work on the establishment of Seamen's training centre at Karachi.	Continuation of construction work on 11 technical training centres–5 in East and 6 in West Pakistan; initiation of 8 technical training centres-6 in East and 2 in West Pakistan including one for released defence personnel. Continuation of Improvement and expansion work on one industrial relations institute, one management development centre, 2 apprenticeship training offices and initiation of work on production of documentary films for industrial workers in East Pakistan and continuation of expansion work on one institute of labour administration training at Karachi.	Continuation of construction work on 18 technical training centres—11 in East and 7 in West Pakistan including one for released defence personnel ; continuation of expansion and improvement wrok on one industrial relations institute apprenticeship training Office and continuation of work on production of documentary film for workers education in East Pakistan.
II. Labour Market Organisation.	Nos.	Improvement of 6 existing employment exchanges, establishment of 4 vocational guidance and youth employment units in East Pakistan,	—	Opening of one vocational guidance and youth employment units in East Pakistan.	Opening of one vocational guidance and youth employment units in East Pakistan and initiation of preliminary work on undertaking of a	Opening of one vocational guidance and youth employment units in East Pakistan ; continuation of work on the research project for foreign	Opening of one vocational guidance and youth employment unit in East Pakistan and continuation of work on the pilot research project on

1	2	3	4	5	6	7	8
		opening of 2 pilot research projects for rural employment promotion—one in each wing and initiation of a research project on foreign employment promotion of the Pakistani labour under the central programme.	—	—	research project on foreign employment promotion of Pakistani labour under the Central programme (Labour and Social Welfare Division).	employment promotion under the central programme and initiation of work on a pilot research project for rural employment promotion in West Pakistan.	rural employment promotion in West Pakistan and continuation of work on the research project on foreign employment promotion of the Pakistani labour under the central programme.
III. Promotion of Industrial Peace.	Nos.	Construction of 6 new buildings for Headquarter office, divisional offices and regional offices of labour directorate and of existing Conciliation Machinery in East Pakistan; establishment of one weights and measures laboratory, 4 units for evaluation and implementation of industrial courts decisions and collective agreements in West Pakistan.		Acquisition of land for 2 divisional offices of labour directorate partial construction of building for one Headquarter—office, 3 divisional offices, one regional office in East Pakistan.	Completion of building for one regional office, 2 divisional offices and partial construction of 2 divisional offices and one headquarter office of East Pakistan Directorate of Labour.	Completion of building for 2 divisional offices and partial completion of one building for headquarter office of labour Directorate in East Pakistan.	Completion of building for one headquarter office and divisional offices of labour directorate in East Pakistan.
IV. Provision of Safety and Security.	Nos.	Construction of 17 new labour welfare centres: improvement and full completion of existing 13 labour welfare centres; improvement of one labour welfare division for tea industry workers in East Pakistan; setting up of one mines rescue centre alongwith one mines safety institute in West Pakistan and establishment of a Seamen's Hostel under the central programme.	Partial improvement of one existing labour welfare division for tea industry workers, and provision of equipment, furniture etc. of the 6 existing labour welfare centres in East Pakistan.	Completion of staff quarters for labour welfare division for tea industry workers, construction of 4 labour welfare centres and partial improvement of 2 existing labour welfare centres in East Pakistan and acquisition of land for one mines rescue centre in West Pakistan.	Partial improvement of 7 existing labour welfare centres and acquisition of land for one labour welfare centre in East Pakistan; initiation of construction of one mines rescue centre in Quetta and initiation of preliminary work of setting up of a Seamen's Hostel at Karachi under Central programme.	Improvement and expansion of existing 7 labour welfare centres in East Pakistan; continuation of construction work on the mines rescue centre in West Pakistan and one Seamen's Hostel at Karachi.	Construction of one labour welfare centre and continuation of improvement work on the existing 7 on labour welfare centres in East Pakistan and continuation and construction work on the one mine rescue centre in West Pakistan and one Seamen's Hostel at Karachi under the Central Programme.

TABLE XVI-2.—*Manpower Training and Labour : Physical Targets and Achievements*

(EAST PAKISTAN)

Sub-sector	Units	Third Plan Targets	Achievements				Tragets 1969-70
			1965-66	1966-67	1967-68	1968-69	
1	2	3	4	5	6	7	8
I. Manpower Training and Skill Development.	Nos.	Modernization of 3 existing technical training centres and establishment of 9 new technical training centres including one for released defence personnel ; setting up of a training centre for Seamen ; expansion and improvement of one management development centre, one industrial, relations institute 2 apprenticeship training offices; construction of one apprenticeship training office and production of 20 documentary films for workers' education.	Construction of 5 technical training centres (SEATO-PAK) T. T. C. Dacca ; GERMAN-PAK T.T.C. Dacca ; Marine Diesel Centre, Narayanganj vocational and staff training centre, Chittagong and T.T.C. Rajshahi).	Continuation of construction work on 5 Technical Training centres (SEATO-PAK) T.T.C. German-Pak T.T.C. Dacca, Marine Diesel Centre, Narayanganj, vocational and staff Training Centre, Chittagong and T.T.C. Rajhsahi and partial improvement and expansion work on one industrial relation institute and one management development centre.	Continuation of construction work on 5 technical training centres (SEATO-PAK) T.T.C., Dacca GERMAN-PAK, Dacca, Marine Diesel Centre Narayanganj, vocational and staff training Centre, Chittagong and initiation of preliminary work on 4 new technical training centre (Barisal Comilla, Mymensingh and Faridpur) and continuation of improvement and expansion work on the industrial Relations Institute, Tongi and management development centre, Dacca.	Continuation of construction work on 5 technical training centres (SEATO-PAK) T.T.C., Dacca, German-Pak T.T.C. Dacca, Marine Diesel Centre, Narayanganj, vocational and staff training centre Chittagong and T.T.C., Rajshahi initiation of partial work on 6 technical training centre (Barisal, Khulna, Comilla, Faridpur, Mymensingh and Bogra) improvement and expansion work on industrial relations Institute, Tongi, and management development centre, Dacca and Apprenticeship Training offices at Chittagong and Khulna initiation work on production of documentary films for workers' education.	Completion of construction work on 5 technical training centres (SEATO-PAK) T.T.C., Dacca, German-Pak T.T.C., Dacca, Vocational and staff training centre, Chittagong. Marine Diesel Centre, Narayanganj, and T.T.C., Rajshahi and continuation of construction work on 6 new technical training centres (Barisal, Comilla, Bogra, Faridpur, Mymensingh and Khulna); expansion and improvement work on industrial Relations Institute, Tongi and apprenticeship training offices at Chittagong and Khulna and continuation of work on production of documentary films for workerks' education.
II. Labour Market Organisation.	Nos.	Improvement of 6 existing employment exchanges ; establishment of 4 vocational guidance and youth employment units at Dacca, Chittagong, Khulna and Rajshahi, and opening of a pilot research project for rural employment promotion.	—	Opening of one vocational guidance and youth employment unit at Dacca.	Opening of one vocational guidance and youth employment unit at Chittagong.	Opening of one vocational guidance and youth employment unit at Rajshahi.	Opening of one vocational guidance and youth employment unit at Khulna.

1	2	3	4	5	6	7	8
III. Promotion of Industrial Peace.	Nos.	Completion of building for one headquarters office at Dacca ; 4 divisional offices at Dacca, Rajshahi, Khulna and Chittagong and one regional Office at Narayanganj of the East Pakistan Labour Directorate and improvement of the existing Conciliation machinary.	—	Acquisition of land for divisional office of Labour Directorate at Dacca, and Khulna; partial construction of building of labour directorate for headquarter office at Dacca ; divisional offices at Dacca, Chittagong, Khulna and regional office at Narayanganj.	Completion of building for regional office of Labour Directorate at Narayanganj and 2 divisional offices at Chittagong and Rajshahi and partial construction of 2 divisional offices at Dacca and Khulna and headquarter office at Dacca.	Completion of building for 2 divisinal offices of Labour Directorate at Dacca and Khulna and partial construction of headquarter Office at Dacca.	Completion of headquarters office building at Dacca and 2 divisional offices at Chittagang and Khulna of the East Pakistan Labour Directorate.
IV Provision of Safety and Security.	Nos.	Construction of 17 new labour welfare centres, improvement and full completion of existing 13 labour welfare centres; improvement of one labour welfare division for Tea Industry workers at Srimangal, introduction of social security for industrial workers and expansion of factory inspection machinery and establishment of conciliation machinery	Partial improvement of the existing labour welfare division for tea industry workers at Srimangal and provision of equipment, furniture etc. of the 6 existing labour welfare centres at Bogra, Rajshahi, Kaloghat, Tongi, and Hajiganj.	Completion of staff quarters for the labour welfare division for tea industry workers at Srimangal ; consturction of 4 labour welfare centres at Barisal, Bandar Gaibanda and Kushtia ; and partial improvement of 2 existing centres at tejgaon and Narayanganj.	Partial improvemet of existing labour welfare centres at Tejgoan, Narayanganj, Sharishabari, Sholapur, Ashoganj, Khalispur and acquisition of land for one labour welfare centre at Narsingdi (Dacca).	Improvement and expansion of the 7 labour welfare centres constructed during the First Five-Year Plan period at Tejgoan, Narayanganj, Sharishabari Sholasher, Chandpur, Ashuganj, and Khalispur.	Construction of one labour welfare centre at Narsingdi (Dacca), continuation of improvement work on the 7 labour welfare centres at Ashoganj, Khalispur, Narayanganj, Sharishabari, Sholasher, Chandpur, Narayanganj and Tejgaon.

TABLE XVI-3.— *Manpower Training And Labour : Physical Targets And Achievemetns*

(WEST PAKISTAN)

Sub-Sector	Units	Third Plan Targets	Achievements				Targets 1969-70
			1965-66	1966-67	1967-68	1968-69	
1	2	3	4	5	6	7	8
I. Manpower Training and Skill Development.	Nos.	Modernization of 3 existing technical training centres, establishment of 4 new technical training centres including one for released defence personnel, one Seamen's training centre ; expansion of one institute of labour administration training and introduction of training scheme for disabled soldiers, craftsmen and construction workers.	Partial construction of buildings for 5 technical training centres at Hyderabad, Mughalpura, Multan, Peshawar and Gulberg.	Continuation of construction work on 4 technical training centres at Hyderabad, Mughalpura, Multan and Peshawar and initiation of expansion work on the National Institute of Labour Administration Training at Karachi.	Continuation of construction work on 4 technical training centres at Hyderabad, Mughalpura, Multan and Peshawar and expansion work of the National Institute of Labour Administration Training at Karachi and initiation of partial work on the establishment of Seamen's Training Centre at Karachi.	Continuation of construction work of 6 technical training centres at Hyderabad, Mughalpura, Peshawar, Gulberg, Multan and Karachi (SEATO-PAK) and initiation of work of one technical training centre at Rahimyar Khan and the training Centre for the released defence personnel at Jhelum and continuation and expansion work on the National Institute of Labour Administration Training in Karachi.	Continuation of work on 7 technical training centres at Hyderabad, Mughalpura, Peshawar, Gulberg, Multan, Rahimyar Khan and Jhelum (Released Defence Personnel).
II. Labour Market Organization.	Nos.	Launching of a Pilot Research Project for rural employment promotion and a research project on foreign employment promotion of Pakistani labour.	—	—	Initiation of preliminary work on undertaking of a research project on foreign employment promotion of Pakistani labour under the central programme.	Continuation of work on the research project for foreign employment promotion of the Pakistani labour and initiation of work on a pilot research project for rural employment promotion.	Continuation of work on a pilot research project for rural employment promotion and the research project on foreign employment promotion of the Pakistani labour.
III. Promotion of Industrial Peace.	Nos.	Establishment of a weights and measures laboratory and 4 units for evaluation and implementation of industrial courts decisions and collective agreements.	—	—	—	—	—
IV. Provision of Safety and Security.	Nos.	Setting up of one Mines Rescue Centre alongwith one Mines safety Institute at Quetta, and a Seamen's Hostel at Karachi.	—	Acquisition of land for one Mines Rescue Centre at Quetta.	Initiation of construction of one Mine Rescue centre at Quetta and initiation of preliminary work of setting up a Seamen's Hostel at Karachi.	Continuation of construction work on the Mines Rescue Station at Quetta and Seamen's hostel at Karachi.	Continuation of construction work on the Mines Rescue Station at Quetta and Seamen's Hostel at Karachi.

TABLE XVII—1.—*Works Programme : Physical Targets and Achievements*

(ALL PAKISTAN)

Sl. No.	Sub-sector/Item	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69	1969-70	Percentage Implementation
I. Transport and Communications									
1.	Kutcha Roads	Miles	—	19,187	15,816	13,437	18,764	Not available	Not applicable
2.	Pucca Roads	Miles	—	965	514	968	1,207	,,	,,
3.	Treated Vehicular Roads ..	Miles	—	929	419	449	449	,,	,,
4.	Bridges and culverts ..	Nos.	—	15,261	8,130	10,849	14,373	,,	,,
5.	Bridle Paths, Pony Tracks, Foot bridges and Forest Feeder Roads	No. of schemes	—	13	11	9	10	,,	,,
II. Physical Planning and Housing									
6.	Buildings	Nos.	—	2,804	1,660	1,397	5,900	,,	,,
III. Water, Power and Irrigation									
7.	Drains and Canals ..	Miles	—	953	1,329	2,303	3,200	,,	,,
8.	Embankments	Miles	—	2,325	1,381	1,244	1,800	,,	,,
9.	Thana Irrigation Project :								
	(*i*) Workshops ..	Nos.	—	—	—	160	N.A.	,,	,,
	(*ii*) Storage Godown ..	Nos.	—	—	—	82	N.A.	,,	,,
	(*iii*) Power Pumps ..	Nos.	—	—	—	—	11,041	,,	,,
	(*iv*) Fraction Power Pumps	Nos.	—	—	—	—	3,000	,,	,,
10.	Tubewells	Nos.	—	103	7	36	37	,,	,,
11.	Lift Pumps	Nos.	—	7	11	6	6	,,	,,
12.	Open Surface Wells ..	Nos.	—	605	172	259	249	,,	,,
13.	Karazes	Nos.	—	187	80	89	89	,,	,,
14.	Kools	Nos.	—	—	8	3	3	,,	,,
15.	Irrigation canals, Water Tanks Bowlies, drinking Water Tanks	No. of schemes	—	51	50	33	34	,,	,,
IV. Health and Sanitation									
16.	Civil Dispensaries ..	Nos.	—	281	76	120	120	,,	,,
17.	Diggies, Tanks and Bowlies.	Nos.	—	83	216	100	100	,,	,,
18.	Hand Pumps	Nos.	—	5,474	237	1,903	1,904	,,	,,
19.	Sanitary Drains	Nos.	—	98	20	39	39	,,	,,
V. Agriculture									
20.	Veterinary Dispensaries ..	Nos.	—	129	26	51	52	,,	,,
VI. Other Projects		Nos.	—	252	193	1,954	2,636	,,	,,

TABLE XVII—2.—*Works Programme : Physical Targets and Achievements*

(EAST PAKISTAN)

Sl. No.	Sub-Sector/Item	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69 (Estimated)	1969-70	Percentage-Implementation
1	2	3	4	5	6	7	8	9	10
I. Transport and Communications									
1.	Kutcha Roads	Miles	—	17,728	15,350	12,674	18,000	Not available	Not applicable
2.	Pucca Roads	Miles	—	441	416	861	1,100	„	
3.	Buildings and culverts ..	Nos.	—	11,980	7,290	9,475	13,000	„	„
II. Physical Planning and Housing									
4.	Buildings (Thana Training Development Centres, Union Community centres, Town/ Municipal Halls, Markets/ Shopping centres ..	Nos.	—	838	927	497	5,000	„	„
III. Water, Power and Irrigation									
5.	Embankments	Miles	—	2,325	1,381	1,244	1,800	„	„
6.	Drains and canals ..	Miles	—	953	1,329	2,303	3,200	„	„
7.	Thana Irrigation Project :								
	(*i*) Workshops ..	Nos.	—	—	—	160	N.A.	„	„
	(*ii*) Storage godown ..	Nos.	—	—	—	82	N.A.	„	„
	(*iii*) Power Pumps ..	Nos.	—	—	—	—	11,041	„	„
	(*iv*) Fraction power pumps	Nos.	—	—	—	—	3,000	„	„
V. Other Projects		Nos.	—	16	20	1,818	2,500	„	„

TABLE XVII—3.—*Works Programme : Physical Targets and Achievements*

(WEST PAKISTAN)

Sl. No.	Sub-sector/Item	Unit	Third Plan Targets	1965-66	1966-67	1967-68	1968-69 (Estimated)	1969-70	Percentage Implementation
1	2	3	4	5	6	7	8	9	10
I. Transport and Communications									
1.	Metalled Roads	Miles	—	224	98	108	107	Not available	Not applicable
2.	Treated Vehicular Roads ..	Miles	—	929	419	449	449	,,	,,
3.	Kutcha Roads	Miles	—	1,459	466	763	764	,,	,,
4.	Bridges and culverts ..	Nos.	—	3,281	840	1,374	1,373	,,	,,
5.	Bridle paths, pony tracks, forest feeder roads.	No. of schemes	—	13	11	9	10	,,	,,
II. Physical Planning and Housing									
6.	Buildings (Education, union council offices and community halls)	Nos.	—	1,966	733	900	900	,,	,,
III. Health and Sanitation									
7.	Civil Dispensaries ..	Nos.	—	281	76	120	120	,,	,,
8.	Diggies, Tanks and Bowlies.	Nos.	—	83	216	100	100	,,	,,
9.	Hand Pumps	Nos.	—	5,474	237	1,903	1,904	,,	,,
10.	Sanitary Drains	Nos.	—	98	20	39	39	,,	,,
IV. Water, Power and Irrigation									
11.	Tube-wells	Nos	—	103	7	36	37	,,	,,
12.	Open surface wells ...	Nos.	—	605	172	259	259	,,	,,
13.	Karazes	Nos.	—	187	80	89	89	,,	,,
14.	Kools	Nos.	—	—	8	3	3	,,	,,
15.	Lift pumps	Nos.	—	7	11	6	6	,,	,,
16.	Irrigation canals, water tanks, bowlies, drinking water tanks	No. of schemes	—	51	50	33	34	,,	,,
V. Agriculture									
17.	Veterinary Dispensaries ..	Nos.	—	129	26	51	52	,,	,,
VI. Other Projects	..	Nos.	—	236	172	136	136	,,	,,

N. B.—Figures also include achievements under the Central Programme in respect of Azad Kashmir and Northern Area of Gilgit and Baltistan.

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